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Contadora Groups 'Implicitly' Condemn U.S.

PY031333 Buenos Aires DYN in Spanish 2316 GMT 2 Feb 88

[Text] Buenos Aires, 2 Feb (DYN) — In a joint statement released today, the governments of the Contadora and Contadora Support Groups implicitly condemned the United States for the aid granted to the Nicaraguan "contras," and praised the Central American presidents' efforts to find peace through "dialogue and negotiation."

The implicit condemnation of the Republican administration of President Ronald Reagan is included in the fourth and final point of the statement, which calls on "the countries with ties and interests in the region to abide by international law and halt actions which promote destabilization and all type of aid to irregular forces," in order to build "peace and democracy in Central America."

The statement, released after a 2-day meeting and less than 48 hours before a U.S. House of Representatives session will decide on a request for $36-million in aid for the anti-Sandinist forces, states that "we emphasize the importance of the unconditional, unilateral, and immediate compliance" with the Esquipulas II peace plan.

The diplomats—who hold the rank of under secretaries of state—of the governments that are members of the Contadora and Contadora Support Groups, added that despite the efforts the five Central American presidents have made to achieve peace, "it is still possible to see there is an unresolved conflict in the region, and that the principles of international law are still being violated."

The Argentine, Brazilian, Colombian, Mexican, Panamanian, Peruvian, Venezuelan, and Uruguayan diplomats met on the 14th floor of the new Argentine Foreign Ministry building to analyze the results of a meeting that the Costa Rican, Salvadoran, Guatemalan, Honduran, and Nicaraguan presidents held in San Jose on 15 and 16 January. They also "evaluated the international situation with respect to Central America."

After the meeting behind closed doors, journalists were allowed to enter the room, but only to listen to Argentine Foreign Ministry Under Secretary for Latin American Affairs Alberto Ferrari Etcheverry, who read the statement. Before reading it, Etcheverry announced that the diplomats would not talk to the press.

The meeting was attended by Etcheverry, Luiz Felipe Lampreia (Brazil), Luis Carlos Villegas (Colombia), Ricardo Valero (Mexico), Jose Maria Cabrera (Panama), Ricardo Luna (Peru), Horacio Arteaga (Venezuela), and Agustin Espinoza (Uruguay).

The following is the text of the document, which was released shortly after noon:

"1) The expression of the political will to continue with the dialogue and negotiations to resolve the conflicts and to promote and encourage the observance of the terms of the procedure for achieving a firm and lasting peace in Central America (Esquipulas II), which was signed in Guatemala on 7 August 1987, is particularly satisfactory. This expression of political will is contained in the joint statement signed by the five Central American presidents.

"2) The settlement of those conflicts, because of their complexity, is a justified concern to the Latin American countries, as our eight presidents stated in the Acapulco declaration; they said peace and stability in Central America are priority issues for our governments. It is not only the consolidation of democracy and self-determination in Central America which is at stake here, but also the interests of our own countries. Therefore, the Contadora and Contadora Support Groups hereby reiterate our will to continue to cooperate with the peace process in Central America.

"3) The report submitted by the International Verification and Follow-Up Commission (CIVS), which contains clear and impartial conclusions on the situation in the region, notes major progress in the observance of the terms of Esquipulas II, showing that peace and democracy can be achieved in Central America through the path of dialogue and negotiation that the five Central American countries have chosen, as opposed to the use of force or the threat of force. Despite the efforts and the actual steps toward peace that have been taken, one can still see that there is an unresolved conflict in the region, and that the principles of international law are still being violated.

"4) Therefore, we emphasize the importance of the unconditional, unilateral, and immediate compliance with the terms of the Guatemala procedure by all the signatory countries. In this regard, and taking into account the current situation, we call on the countries with ties and interests in the region to abide by international law;to discontinue actions which promote destabilization and all type of aid to irregular forces, just as the San Jose declaration demands unconditional, unilateral, and immediate action to achieve peace and democracy in Central America."

Cuba

Malmierca on Military Advisers in Nicaragua

FL031847 Havana Radio Rebelde Network in Spanish 1800 GMT 3 Feb 88

[Telephone report from Mexico City for Radio Rebelde by (Carlos Fascio)]

[Text] Speaking here, Cuban Foreign Minister Isidoro Malmierca has restated his government's determination to withdraw Cuban military advisers from Nicaragua—who are only a few hundred, a much lower figure than the one given by the United States—when the Managua government so decides. Malmierca emphasized this topic in his talks with Mexican Foreign Secretary Bernardo Sepulveda as part of the fifth intergovernmental meeting between Mexico and Cuba.

Sepulveda spoke of the pro-Latin American stance evident at the December meeting of the [Group of] Eight in Acapulco, with which Cuba completely agrees. Malmierca,in turn, remarked that following the Acapulco summit, several Latin American presidents expressed interest in Cuba's return to the OAS. Although the topic is not on Havana's agenda at this time, Malmierca said, we appreciate this proposal, which will be submitted for analysis and consultation, and a future decision.

He also reported that in addition to arranging the resumption of the immigration accords, U.S. State Department and Cuban Foreign Ministry officials meeting in Mexico agreed to continue negotiations concerning Radio Marti's operations—these are directly administered by the State Department to foment destabilization in Cuba—until a mutually satisfactory and respectful solution can be reached.

Lezcano Speaks at Havana PCC Meeting

FL151420 Havana Tele-Rebelde Network in Spanish 0200 GMT 12 Jan 88

[Speech by Jorge Lezcano, first secretary of the Havana City PCC Provincial Committee, at meeting of secretaries general of Havana PCC units; date not given—recorded]

[Text] Comrades, it has become a common practice—this is the third time—for the PCC Provincial Committee to meet at the beginning of the year with the representatives of the community-based organizations of the whole province. We do so to report on how we are keeping our commitments and fulfilling work plans for the year; and also to determine the guidelines for our work in the coming year. This is precisely the objective of this meeting.

As we have explained on previous occasions, this is not a discussion meeting. It is rather a meeting to suggest work guidelines. Therefore, there will be only one speech: my own in the name of the PCC Provincial Committee.

We intend our words to be useful to all of you in the work which must be done in each center under the party's guidance.

We will examine the year's work and the prospects for 1988, taking into account the assessment process that concluded with the PCC Provincial Assembly on (?11) November in connection with the work completed and the decisions we adopted for this year's work. This will enable us to offer a coherent explanation in line with all that has been examined, discussed, and decided and will also help us not to have to repeat some of the concepts, ideas, and guidelines.

In the first place, we should state that, in our opinion, the balance of work in 1987 has been positive. However, I should note that although we use this description for the results of the work, we should all be aware that this represents only the beginning of an ambitious program, of an enormous amount of work by the party to consolidate the rectification process.

We must go deeper into this process, into our methods, into our work, into everything we do. Of course, all of this is to say that we are still not satisfied with what we have accomplished, especially because we know we can do much more. Nevertheless, it is only fair to acknowledge that some results of what we are doing and of our methods are beginning to emerge.

With revolutionary pride, with the modesty which should characterize all of us when we evaluate our work, we must say at the beginning of our assessment what it meant for the whole party in the capital, for all its members and cadres, for the workers, for the whole people, to have kept our commitment with Comrade Fidel; when building 50 child care centers became a symbol of the rectification process in the capital, of the materialization of the revolutionary ideas that Comrade Fidel shared with us. He said that what we were doing in the capital was like a laboratory in which we look for new solutions to old problems;to the needs that have built up in the capital for so many years, before and after the triumph of the revolution.

As we all know, we did not meet only the ambitious goal of 50 child care centers. We also exceeded it by building four more. As has been explained repeatedly, this was only possible with the enthusiastic, massive participation of the people, the working class; with the mass methods, popular methods. It was only possible because of the PCC's capacity to mobilize the energy and enthusiasm of the entire population with the help of the mass

organizations, the Union of Young Communists [UJC]. It was only possible with the constant encouragement, support, and guidance of Comrade Fidel.

I believe that if anything can sum up the best results of our efforts in 1987, it is that; our community-based organizations played a prominent, decisive role in each work center.

I would like, in the name of the PCC Provincial Committee and for myself, to congratulate you and, through you, congratulate all the members of the party in the capital for all it accomplished: for the great job you have done, for your great effort, for the skill you displayed in ensuring the observance of Comrade Fidel's guidelines and the party's plans.

We can show with clear examples today why we describe our work in 1987 as satisfactory. I will mention only some general data which sums up all the economic efforts.

The year's commercial production plan was 5,079,000,000 pesos. We did not fulfill the plan. We knew that would happen; we had been checking the plan month after month. You also knew it. But the important thing, the significant thing we want to bring out regarding this commercial production figure is the fact that in comparison with 1986, we were only 160 million pesos short. One hundred and sixty million pesos against 5,079,000,000 is not a lot. In fact, if we considered other factors, this figure would be even less insignificant [as heard]. However, we will not bring these up so as not to detract from the absolute figure as such.

For example, if we analyzed what caused this 160-million-peso shortfall—the price changes in some products, some methodology changes in commercial production accounting, and so forth, and other aspects or categories—this figure would be even more insignificant. But we do not want to go into that.

The important thing is the work done month after month, when we made up for production losses and delays since January because of circumstances that you are all aware of. The drop in production in January 1987 as compared to January 1986 amounted to 16.5 percent. Yet we closed the year with a decrease of only 3 percent. Furthermore, we accomplished this with 21.000 workers fewer than planned, 58 million pesos less in wages than planned, and 20 million pesos less in wages than we paid in 1986.

So that you can have a more precise idea of what this means, I will tell you that in 1986, as compared with 1985, wages went up by 3.2 percent. As you can see, they have now gone down. This meant 60 million pesos more paid in wages in 1986 than in 1985. Now, as you can see, wages went down by 20 million pesos.

Well, these figures are enough to illustrate the effort of our working class in the capital and the work of the PCC, UJC, trade union, and administrative staff in each work center.

Now, what is more important than this figure? More important than this figure is how we were able to enact some of Comrade Fidel's and the party's main ideas concerning the new policies we should follow: particularly, two of these policies. First, was the policy to concentrate on projects and finish them to solve that great tragedy that had been growing year after year. We began projects; we grew and grew, but we never completed anything. Second, was the policy that he so wisely defended: how to solve more social problems than ever before for the people of the capital in the conditions we faced in 1987, with fewer resources as you well know—50 percent less in foreign exchange than what was used in 1985.

That is why in this account, which I will read slowly and carefully so you can really understand it, we are going to say what all this means.

We begin with what we said earlier. That is, we completed 54 child care centers. In addition to 54 child care centers, we built 613 family doctor offices. We built 3 video halls, 3 students houses, 2 basic secondary schools, 4 supermarkets, 12 gyms, a 200-bed ward at the Julio Diaz Hospital, a nursing school for El Cerro children's hospital, an orphanage in East Havana, a mechanical production plant in Berroa for the minibrigades, a provincial supply depot for the minibrigades, a dormitory at the National Arts School, and 18 workshops for the disabled employing more than 600 disabled people in the province.

We also finished 5,332 houses compared to the 3,800 of the previous year. The social minibrigades repaired or maintained 1,830 houses. You know this was a new experience in Central Havana and Marianao. The plan had been 1,698. That is, we went over the plan. We had done practically nothing in this area the year before.

In addition, the immunoassay laboratory was built in a record time of approximately 10 months. We finished the [word indistinct] plant, the optical lense plant, the knitting plant, an apartment hotel in Barlovento, a home for the elderly in Guanabacoa, and a food irradiation plant in La Lisa. We finished the ironworks in Guanabacoa, a telephone center in Fontanar, the Julio Trigo Hospital with a little over 400 beds, the laboratory for the CEATM [State Committee for Material and Technical Supply], a perfume factory, the Havana newspaper complex, a cold storage unit for a cannery in Old Havana, a poultry slaughterhouse in Santiago de las Vegas, the prostheses shop in the Frank Pais Hospital, and a psychiatric ward with 100 beds and a nursing school at the Miguel Henriguez Hospital. We finished that huge project so important to the capital: El Gato

aqueduct system. We built a computer center also for the CEATM and the Victoria 3 sand extraction plant, as well as 53 extensions [capacidades] for 16 different projects.

I am mentioning only these so as not to wear you out. This list is just an illustration, of course, of the very many projects we completed.

To these results, which are quantitatively measurable, we must add other qualitative elements. For example, the consolidation in public health work which translates into better service in our hospitals; the reduction of the infant mortality rate, which now stands at 11.4, the lowest in our history. There is the encouraging progress of the school term. There is a discrete but encouragiNG progress recorded by the Intur [National Institute of Tourism], particularly at the beaches of Habana del Este.

Another important fact, no less important because it is not an economic factor, is how the handling of criminal behavior has developed favorably. By the end of November, we had 7,667 fewer crimes than in the same period the year before. This reduction occurred in all aspects of criminal behavior.

If we add to this the information I briefly cited in the introductory report at the assessment meeting, which I am going to explain now, then we have all the necessary elements to be able to describe 1987 as we have done.

Let us say that as a result of everything we did in 1987, the party's authority overall and in each municipality, in each center, has grown considerably. Its influence is greater, its capacity to mobilize and organize the masses is greater, its links with the people are tighter. A new attitude has emerged among the cadres, the workers. A more active determination exists to deal with problems [words indistinct] big spirit of cooperation among all the province's organs and leaders.

We learned and demonstrated this year that we can do more with less. We have become absolutely clear about the need to (?concentrate) our attention on man as the basis for all of our work. Voluntary work, the genuine manifestation of a communist conscience, has been totally revived. The minibrigades are now an irrevocable reality. They are our most valuable symbol of the rectification process.

In short, we were able to communicate clearly with the workers, to listen to them, to point them in the direction of the solution to many of their problems, to mobilize them with full awareness and enthusiasm in favor of the party's rectifying policy.

For all this, I do not exaggerate when I declare that, despite our defects and limitations, the party today is at the center of everything. It directs the process to rectify errors and negative tendencies. It has created the conditions to channel the will and energy of the masses toward the transformation of our capital.

We will now touch on what we must do this year. Of course, I would like you to take notes on some of these things.

What is the first thing we must do? It is something Comrade Fidel has clearly outlined for us. The first thing we must do is extend this spirit of work in the minibrigades to all sectors, to all work centers. This same combative, enthusiastic, selfless spirit, this same spirit we find in the minibrigades to solve problems, to overcome difficulties by working night and day without sparing efforts of any kind, is the spirit we must achieve in all work centers.

As Comrade Fidel said, it is this spirit which will contribute billions of pesos to the economy and give strong impetus to our province's development in all areas—economic, social, educational, cultural, and so on. This is the first working directive we must observe in 1988.

Comrades, we have to do twice as much in 1988 as we did in 1987. In fact, in some areas, we have to do three and four times as much. First of all, I should tell you and draw your attention to it, that the 1988 economic plan has been structured with the same foreign exchange resources as in 1987. That is, with 50 percent of the foreign exchange we used in 1986. As an aggravating factor, we must add that we have a dollar worth increasingly less. This means that with this 50 percent in hard currency, we will be able to buy fewer resources. To this we must add that according to the plan approved by the National Assembly, which has now become law, our economic growth should be between 2 and 3 percent. You should start thinking about this fact.

We have less in foreign exchange but we must grow. This means that the situation of raw materials and other supplies will continue to be tight. The first quarter and the first semester of this year will continue to be as difficult as they were in 1987. Nevertheless, it should be pointed out that according to all the information we possess, the vast majority of our work centers has begun the year much better than in 1987. I am, first of all, speaking of supplies, but I am also speaking about the experience gained and the organization acquired, especially in the execution of social works, in the work of the minibrigades.

We began to organize in January; now, we are totally organized.

Last year, we began the minibrigades' program for the execution of all these projects practically in March. Many projects, many child care centers began in May. This year, almost all of them started up in the first few days of January.

This situation we are facing in the type and levels of supplies provided for in the plan forces us to resolve the resources deficit with efficiency and with savings.

I am not going to talk to you about figures in general. These are known to the individual work centers. Besides, because of various circumstances which many of you are aware of, especially the comrades from production work centers, we do not have the total figures for many places yet.

What am I going to talk to you about, then? First of all, I am going to talk about the construction program, as well as other things. Everything we have to do this year in investments, in construction must have the participation not only of the construction workers forces attached to the MICONS [Ministry of Construction], construction workers attached to other agencies, and the minibrigades, but also all the workers of the capital and all the people. Otherwise, it would not be possible for us to fulfill this program that I am going to speak about.

Let us talk about health projects. We are beginning or finishing the following construction projects: the famous Miguel Henriquez hospital—you know already what has to be done; the pediatrics hospital in Marianao, a great hospital; the extensions to the Joaquin Albarran and Frank Pais hospitals; the new gynecology-obstetrics building at the Julio Trigo Hospital—more than 400 beds; the extension of the [word indistinct]—more than 100 beds.

Other projects are: the Tropical Medicine Institute,the intensive therapy and surgery units of the Salvador Allende Hospital—66 beds and 6 operating rooms, no less; the radiology building at the Hermanos Ameijeiras Hospital; the startup of the microsurgery unit of the Pando Ferrer Hospital; expansion in the number of beds in the Salvador Allende Hospital, the San Miguel del Padron and El Cerro pediatrics hospitals, and in the recovery room of the William Soler cardiovascular hospital; the very important expansion of the Gonzalez Coro Hospital, of the Cardiology Institute, and of the Neurosurgery Institute—3 big projects; the general hospitals of eastern and western Havana; the pediatrics hospital in East Havana; the reconstruction and expansion of the Calixto Garcia Hospital; the rehabilitation unit at the Julio Diaz Hospital; the intensive therapy ward at the William Soler Hospital; the Carlos J. Finlay Laboratory; warehouse facilities for the ENSUME [Cuban Enterprise for Importing Medical Equipment]; the renovation and expansion of 3 laboratories—the Juan Franco, Roberto Escudero, and Reynaldo Gutierrez laboratories; a shop to manufacture medical furnishings; a warehouse for pharmaceutical supplies; an electromedicine center; the assembly and startup of the medical equipment factory; the medical sciences faculty at the Julio Trigo Hospital; the medical sciences faculty at the Fajardo Hospital; 600 home-offices for family doctors; 20 polyclinics; a home for the elderly in East Havana; 11 drugstores; 4 grandparents homes; an optical shop; 8 physical therapy gyms; and other projects. These are the main ones.

What do you think? Are they enough? [Lezcano chuckles] [applause] We have enough not to get bored the whole year and to really train our forces on our objectives. But there's a lot more left.

We must also begin or finish 56 child care centers; 7 modern elementary schools; 2 modern basic secondary schools; 2 rural pre-university institutes in the other Havana [as heard]; 24 special education schools—each special education school is worth 3 child care centers, generally speaking. We must enlarge the enrollment capacity of the vocational school of arts. We must build a school for physical education teachers; 4 swimming pool facilities; 21 sports areas; 11 gyms; a camping grounds; 10 important facilities for the Pan-American games, such as 2 multi-purpose buildings, a velodrome, an olympic-size swimming pool; a gym in Cerro Pelado; a rowing canal; and an olympic stadium.

We must renovate several theaters: the Karl Marx, Campoamor, Garcia Lorca, Amadeo Roldan, Rita Montaner, and Marti. We must build 6 student homes, 2 video halls, and a bookstore, and invest 6 million pesos in the renovation of Old Havana.

I am becoming short of breath. To list these projects is a chore; imagine actually carrying them out. We really should end here. With this alone it would be a big program, but we must still mention other projects.

These are 2 urban bus stations; a tourist bus station; 20,000 square meters of warehouse facilities; 10 supermarkets or shopping centers; 48 shops of various kinds; 28 bakeries; and Expo-Cuba, which has a 15-million-peso investment. As you know, we are pledged to begin it on 2 January. We have promised to finish it on 31 December and hold a big ceremony on 2 January 1989. We must finish the East-West Highway—8 km; we must begin the interchange at 100th and Boyeros; we must begin the extension of the Ventos Avenue and the 4-lane access road to Expo-Cuba.

We must spend more than a million pesos on the botanical gardens. We must spend more than 2 million pesos on the national zoo. We must complete the genetic engineering hotel [as heard]; build 38 factories to manufacture construction materials; rebuild 30 km of aqueduct, sewers, and drainage pipeline networks; spend 18 million pesos on waterworks; finish 13,000 houses; and rebuild or repair 15,000 houses.

I'm practically worn out! These would be enough but there are still more to go.

We must add the big industrial investments the MICONS is executing. They are also our responsibility. The MICONS has to work on 17 industrial projects valued at 56 million pesos. Prominent among these—see the kind of project they include—is: [word indistinct] stage of the Antillana de Acero expansion; we must spend approximately 30 million pesos in a year. You can

imagine the effort. We must spend 4.2 million pesos at the Nico Lopez refinery; 2 million pesos at the Balance knitting mill; 1.5 million pesos at the fish cannery; 1.5 million pesos at the Gran Panel 70 plant; 1.7 million pesos at the Regla parts factory; 3.6 million in the expansion and 1.5 million in the renovation of the Jose Marti airport—in other words, 5 [as heard] million pesos for the Jose Marti airport; 1.6 million pesos at the Food Research Institute. We have to finish an oxygen plant this year. We have to begin the extension to the tire factory. All of this represents 109 projects valued at 175 million pesos for the MICONS.

The minibrigades are going to produce, to build projects valued at 274 million pesos. More than double, much more than they produced this year. The People's Government [Department] will spend 81 million pesos. Other government organs will spend 3 million pesos. All of this means 359 million pesos in construction projects for the People's Government and the minibrigades.

What do you think? Do we have work to do or not? Does anyone think he's going to be bored this year? Does anyone think that what we did in 1987 was a lot? Notwithstanding its worth, what we did in 1987 pales in comparison with what we must do this year. I am speaking of construction only; I am not talking about the individual factories' production plan. That is a given.

How do we plan to accomplish all this work? For this program, we believe the first things to consider are the orientation and directives Comrade Fidel gave us at our assessment meeting, and the documents and decisions adopted at that meeting. Comrade Fidel's guidelines and the documents on the meeting are very clear as to how to work, what to do, and what style, method, and policy to use. How do we give substance to this? What do we do with these documents which must serve as our guidelines for all the party's work of orientation, control, supervision, and mobilization? We feel the most opportune moment to face and accomplish this goal is undoubtedly the assessment process that is beginning in our community-based organizations. During all this process, we must ensure that the reports being prepared for discussion at the meetings, the definition of objectives, and the accords adopted at the meetings specify the action that must be followed in each community-based organization, in each work center to accomplish all these objectives, which were fixed and defined at the party's assessment meeting.

In sum, I am instructing you to take the documents from the party's assessment meeting and Comrade Fidel's guidelines at that meeting as the point of reference, as the key when you prepare your individual reports and define your individual objectives. As you know, these documents will be studied and analyzed by our community-based organizations.

It is imperative and urgent that each community-based organization be capable of informing all workers of these objectives, be capable of bringing the action and effort of the workers in each work center to fruition, and be capable of achieving everyone's conscious and organized participation. The party cannot bear all these problems alone. This is a problem for the masses. Only the masses can accomplish these tremendous tasks. The party must be capable of organizing, mobilizing, and guiding them, and through the trade union, the UJC, and the mass organizations in the neighborhoods and communities be able to consciously involve the people and the workers in the attainment of these goals.

The party must make the workers and the masses feel that these objectives are theirs, not just the party's. We all know that when the masses become aware, fix an idea in their minds, and make it their own, these objectives and goals are met without hesitation, no matter how high they are.

What else do the experiences of 1987 show us? They indicate our economy's great unused potential. If we manage to unleash a movement in favor of fully utilizing our material resources, our capacity in the factories and work centers, our workers' intelligence, and so forth, this will enable us to have the right conditions to fulfill this ambitious program, despite the difficult circumstances in which the plan has been drafted.

As an example, I am going to cite some cases which demonstrate the potential underlying our economy as resources we do not utilize; we simply do not utilize them. We do not take advantage of them and let them go to waste.

To repeat and underscore this idea, I must cite something of which I have frequently spoken: the problem of unused, idle inventories. You know that when we began 1987, we had 550 million pesos in accumulated unused inventory. Thanks to party policy and the materialization of this policy effected by administrative organs, we only have—and I say only, but it's a large amount—270 million left.

I will give an example of what has happened in recent days. A short time ago, a large factory in the capital was requesting foreign exchange—dollars—to buy three French-made pumps they needed. These pumps cost around $48,000. Since they were needed for an important center's production, the factory was on the point of getting this money, although we don't have enough foreign exchange. And yet, because the party insisted that before turning over resources of this kind, idle inventories had to be checked, every warehouse searched, and each avenue discussed with the CEATM, we found out that those 3 French-made pumps, which cost $48,000, had been standing idle for 3 years [words indistinct] capital.

Another example: A number of lunchrooms in child care centers and elementary schools were inspected recently in connection with the efficient use of food resources in these centers. As a result of an analysis, a conclusion was reached and measures taken. With simply a better control of food requests and food assignments, we had enough food for 17 new child care centers.

I will keep citing examples: foreign technical assistance. Discussion of the technical assistance plan of an important factory in the capital was recently completed. Because the discussion was serious and exerted some pressure, we saved 656,000 pesos, the amount that the technical assistance plan was demanding. Human resources and other available means indicated to us that it was not necessary to use that money in technical assistance. To give you a better idea, we spend 40 million pesos a year in technical assistance in the province. There's plenty of grounds there to keep analyzing how to save on technical assistance resources.

We continue to explore a still virgin field despite the time we have been working on it. This field is raw materials. We are conducting studies and we have convinced almost all those involved of the feasibility of using raw materials that we were exporting and that are more economical if we use them at home. We are also seriously discussing how to improve efficiency and quality in this type of work. If we achieve this, with simply a better selection of raw materials, whether scrap iron, paper, fabric, etc...[rephrases] In other words, it is not a matter of recyling more raw materials; it is a matter of selecting better. By doing so, we can increase the value of that raw material that we sell. We also have to keep waging a big struggle, because there are still many enterprises that throw out virgin raw material or new products as scrap iron.

We squander resources this way. Another case recently discussed was one involving a bottle washing machine. As a result of the party's analysis and requirements, and the solution of some problems involving water circulation, etc., we were able to prevent the country from having to produce 9 million new bottles. We were able obtain these bottles by simply washing the old ones.

I could continue mentioning many other examples of how our economy has sufficient resources that we are still not utilizing well. We can do much more with these resources despite the economic problems and foreign exchange limitations, to accomplish this plan with which we are dealing.

Simply to illustrate how we must be wary of all figures shown to us that distort reality and deceive us, I must tell you that an analysis of 553 enterprises was done in September, and it emerged that the accounting was totally or partly unreliable in 41 percent of them, or 224 enterprises. If an enterprise's accounting is not reliable, it is not simply that it is playing with numbers. The truth is that the enterprise has no control, doesn't know what it (?is supposed to do) or knows what is needed. [Words indistinct] all the comrades in the party's community-based organizations that they must be very careful with accountings at the work centers, with the figures they are given, with the data they are given. Always mistrust them. Ask for them and verify the accuracy of the figures. Ask for and verify yourselves what those figures represent. Don't rely only on percentages or absolute figures supplied to you.

As you can see, comrades, all these problems I am explaining to you are rather subjective problems. We are talking about what man can do when there is a deeper awareness, more controls, more organization, greater requirements. It is precisely there that the party must carry out this political, ideological work, the role that it must play in each work center.

Because of its importance for the organization and execution of our work, I want now to repeat the directives we have laid down for the party's economic work during this year: first, the struggle to fulfill the plan to produce assorted goods; second, the reduction of production costs by involving the workers in the struggle for the solution of problems which cause excessive expenditures because of incorrect wage payment or material resources assignment; third, the struggle [words indistinct] especially exportable funds; fourth, reduction in material consumption and excessive inventories, and fulfillment of material economy plans. fifth, replacement of imports and spare parts production; sixth, the maximum recovery of raw materials, avoiding wasting a single meter or kilogram of reusable material; seventh, the struggle for labor discipline, the efficient utilization of the work force, and the labor [word indistinct] and organization; eighth, accomplishing an adequately (?accurate) and reliable accounting which will make it possible to [word indistinct] detect where the problems are and improve the control of resources; ninth, fully develop an awareness of the need to economize.

The party's community-based organizations, the committee, the units, the members must always keep all these directives in mind, examine them at their meetings, at the production and service assemblies, at the meetings of the administrative boards, and at all debates on efficiency and profitability in each one of the factories. This applies, of course, to these moments when we are discussing the assessment of the party units.

To ensure all this work we have to focus on man as our central watchword. We must place man's motivation at the center of our work. This is part of the essence of the party's political and ideological work. To encourage all the efforts that must be undertaken this year to accomplish these tasks, and considering last year's initiatives regarding the 40-hour bonuses, we have established a new incentive program this year, as you all know.

This year it will be 120 hours, not 40. By the way, I have heard some concerns, though only a few, in this respect that I would like to dispel. When we proposed a 40-hour bonus for all those who worked in support of social works and higher production in individual work centers last year, we did so too late, when the year was ending. We had barely 2 months to work 40 hours. We later extended the period to 3 months, to include December, as many comrades were unable to do the 40 hours because the movement had been organized too late.

You know the figures; Comrade Fidel referred to them. In 3 months, 436,000 people earned the 40-hour bonus. They worked 20 million hours.

With this in mind, and trying not to set an unattainable goal, we established 120 hours as the figure for the 12 months of this year, instead of last year's 3 months. But this is very flexible. What does this flexibility consist of? Well, we have divided the period into 3 stages [words indistinct] to honor the Giron victory [passage indistinct]. In the end, whoever has worked the 120 hours and has the 3 bonuses gets a bigger incentive—a certificate. It's bigger, more handsome, with the person's full name and the hours he worked, whether 120 or more.

Where else is this flexibility? If you get to April and you did not work the 40 hours, but completed this number of hours in May instead, then you get the 40-hour bonus in May. If you didn't complete the number of hours by 26 July, but you worked them in June [as heard] or August, you get the 40 hours—in June or August. And so on until December. The only thing is that to earn the 120 hours you have to work them in a single year. So, you may not meet the deadline for the 40 hours, but you can work them at any other time in the year. However, for the 120-hour bonus or the 120-hour certificate, you do have to work them in a single year because they cannot be carried over into the next. Your time is up.

That is where the biggest flexibility lies. In addition, as you can see—notice how we all want to work and mobilize—we are also going to take into account the hours worked in the productive centers, of course. Notice what I am saying: productive centers, not administrative centers, so that production can go up. In other words, you can earn toward the bonus by working in this area as well. The hours worked on Red Sundays will also be valid for the bonus, as was the case last year. They are not extra hours, they are part of these bonus hours. That is where all the necessary flexibility lies.

There's one thing I want to emphasize, something the party has to keep a sharp eye on. These are voluntary work hours, not obligatory work hours. This is really voluntary work. No one should be pressured to work. There are comrades who have physical and personal limitations, children, etc. No one should be forced. Let this be well understood. The most beautiful thing about these hours, this movement, is that they are truly voluntary. The 1,500 hours worked by an individual, the 300 or 600 worked by a student were the product of their conscience, their desire, their interest, and not an obligation. In other words, this is voluntary, this is political work, this is ideological work, this is a learning experience, and anything that might conspire against this idea hurts us. The party must prevent it and be alert at each work center. Let this be clear.

The party will have to develop a whole movement through the trade unions, the UJC, the mass organizations to instruct the workers, and explain this idea thoroughly from the first. It will have to make the workers feel motivated and enthusiastic about these ideas.

What is our purpose in the economic area in summing up all these ideas? Our purpose is to turn each enterprise into a model enterprise. It is all we aspire to. It is what we are going to work and fight for. We want each enterprise to become a truly socialist enterprise. I will not dwell on the concept of a socialist enterprise or a model enterprise. You know our views about this.

I just wanted to emphasize this concept so you will know which direction this year's work toward efficiency and the fulfillment of production plans should take.

Comrades, we still must explain this is not all the party does. The party takes care of everything, watches over everything, provides orientation, and controls everything. Our party is not a party for construction. It is not a party for production. Our party is a party which plays a leading role in society, in all sectors, all fields, and all aspects of life.

That is why we have to act in all directions in each place. That is why when I explain these cardinal, essential problems of the economy, I also have to point out that in 1988 we will have to work hard to consolidate, intensify, and develop the cadre policy set by the Central Committee based on our congress' agreements. We must insist on the importance of following the guidance of the Central Committee Secretariat which implements the party's work in the overseeing of Decree-Law 82. We must insist on the role of the units in each community-based organization concerning the cadre movement and the training and treatment of cadres in each place. We must emphasize how decisive it is to demand and guarantee quality in the preparation of the reserves list and the training plan for the cadres.

I also want to draw your attention to what we call the internal functioning of the party. I want to clarify that we do not consider the international functioning of the party as an activity for ourselves, for the party, but we see it in terms of the party being able to work more efficiently in playing its leading role. A unit, a committee, the leaders in a municipality or a province who do not function efficiently in their meetings, their analyses, their discussions, will hardly be effective and will have trouble in truly playing their leading role.

Furthermore, I want to tell you what we were recently explaining to the party's professional cadres, because of the following: It is clear to us as never before that we are obliged now to guarantee an integral work by the party and the cadres, from the province to the community-based organizations. We are obliged to develop the initiative and independence of action of each cadre, without the cadre, center, or organization as such losing their bearing and their control over the work. We stress that each person must fulfill his responsibilities and ensure that the cadres in the institutions in their charge and cadres subordinate to them will fulfill their responsibilities. If we fail, it will be very difficult for the party to guarantee its work.

No one in our circumstances can in any way centralize the entire work. Everyone has to shoulder his responsibility; everyone should have independence, initiative. This should not mean, as I have already said, that control is lost by the secretary of the unit, the committee, or the first municipal secretary, or the first provincial secretary. On the contrary, this presupposes it. From now on, we must act more collectively than ever but more individually than ever as well. Each person must shoulder his responsibility and not dump the work on someone else. We have so much to do that no one can do someone else's work.

Wherever a cadre fails, whether in the province or the community-based organization, we will have neglected a job. We cannot afford the luxury of leaving something undone.

There is another important element I want to stress. These are the defense tasks. This year, our province has to declare itself ready for defense in the first stage without delay. This requires work, effort, and a gigantic mobilization and organization. We are going to have visitors these days, on 25-29 January, who will come to inspect the province's conditions to declare itself ready. They are going to visit all the municipalities and work centers. We will get more visitors in May for the same purpose, and then others in October for a final visit.

There are specific events which determine whether we are ready for defense. I would like to mention them.

In the first place, there are our measures to increase our human potential for defense. This means knowing in each municipality what each citizen is doing, how he is participating in defense tasks. This is hard work entailing a very efficient organization that will allow us to learn where people are involved in defense and where they are not. This will allow us to complete our MTT [Territorial Troops Militia] 100 percent with 30 percent of the reserves. It will allow us to complete the reserves of the FAR in professional institutions and it will allow us to complete and involve everybody in the production and defense brigades. This is an important task we have to achieve this year.

At the same time, we have to strengthen all the war-time structures and consolidate the defense zones. Likewise, improved attendance and quality of combat training classes is a must so we can declare ourselves ready for defense. Since the rules call for 40 hours, we will for this purpose organize an emulation and incentive movement for the first time to include all combatants who give [den] their 40 hours of instruction. We are also going to credit them with a bonus for the work done and give them a letter for their work center certifying they have fulfilled their year's combat training. This letter will be made part of their employment record.

I am only mentioning these tasks in order to stress how comprehensive the party's work must be, how the party must really be in the thick of everything, albeit prioritizing the necessary situations, activities, or sectors so it can always know where the main resources, the basic work, should be directed.

We were telling the party's professional cadres the other day what I want to repeat now. We should all be aware that this is not the party's accomplishment. This is the accomplishment of all the people, of all the workers, of all the organizations. That is why the party must be capable of conveying ideas, of inspiring enthusiasm, of organizing and mobilizing all so that these ambitious plans can be fulfilled and the party can play its leading role.

We have a lot to do. No one is scared of the work, I feel. I don't know what you think. We are not scared. [applause]

All that remains for me is to tell you about an important idea. On what do we base the optimism that characterizes the party in the capital, that characterizes its members and organizations? Why do we believe we are going to meet our goals; that we are going to do this and much more, whatever is necessary; that we are going to do everything that Fidel and the party asks of us? Simply because we believe in man, in his virtues, dignity, and decency; because we have clear and revolutionary ideas; because we have the powerful organizational strength of the party; because we have the active and conscious participation of the people; because we have mass methods, people's methods; because we have Fidel's leadership. That is why we will overcome all difficulties this year. That is why we will fulfill all our tasks this year. "Fatherland or death, we shall win!" [applause]

Haiti

Manigat Interviewed on U.S. Relations

FL032255 Port-au-Prince LE PETIT SAMEDI SOIR in French No 696, 6-29 Jan 88 pp 15-19

[Interview with President-elect Leslie Manigat by F. Battaille, F. Lubin, and L. Alezi for LE PETIT SAMEDI SOIR, PSS, "The first granted to a local periodical"—date and place not given]

[Excerpt] [Passage omitted] [PETIT SAMEDI SOIR—PSS] Mr President, the country's economic situation is disastrous. Most countries which provided aid to Haiti

have now suppressed their support in this domain. What kind of measures do you intend to take toward getting off to a quick economic start, and to getting the country rolling again?

[Manigat] This is a bit of political irony. A government which promises to be democratic, nationalistic, and progressive; a government which everyone agrees constitutes a guarantee of competency and which publicly swears to be honest; this government is going to, from the beginning, find itself cut off from foreign aid, particularly by countries considered symbols of great democracies. This is one of the ironies of this country's political evolution. It is a de facto situation, and in politics one must deal with facts, not dreams. We would have preferred a different situation, but it so happens that this is the situation we will be facing. Therefore it is in view of that particular situation that we will take action. What else can we do?

I think there are three things that must be done. First, to use the words of a president (President Dumarsais Estime) who was a man of good will, who was to a certain extent progressive for his time, we must say: "Let us use our disappointment." That is to say, let us try to see what we can accomplish by ourselves, despite the difficulty of the moment. Let us try to mobilize our natural and local [urbaine] resources. Let us try to mobilize our capabilities. We all know the saying of Louis Joseph Janvier which I like to quote: "Learn to rely on our own forces first and foremost." That is the first remark I will make regarding this situation, for which we are not responsible and which we are inheriting, while hoping to be able to improve it. We should learn a lesson from this. Since for the time being, aid to us is cut off and since it will take a certain amount of time for this aid to be reestablished, let us work through ourselves. Let us take this opportunity to see how we ourselves can make the major effort, the maximum effort. Well [Bien].

The last conclusion we should draw from this situation is that we must vary our partners, so that the ups and downs of politics will not abruptly place us in an impossible [invraisemblable] situation just because someone, even for reasons he feels are legitimate, is able to come and cut us off from something. Therefore, we must vary our partners. We must take into account the evolution of international relations so we can entertain cooperative relations with more actors on the political scene—and perhaps with less important actors, because our problem is the problem of the great power in relation to the small nation. We can, by diversifying our relations, come to depend less on any one relationship.

The third thing I say, because it is the truth. [sentence as published] The United States—because we are talking about the United States here—is the greatest economic power in the Western World. This is a fact. Japan is close behind it. But when we speak of the great consumer market of the world, of the country which is at the spearhead of technology in the world, of the country whose capital and whose investments the entire world—including communist countries like Russia and China—seeks; of the country of trade relations par excellence, etc. [leaves idea unfinished] In short, there are positive things in the United States we might need.

The new government is thus going to have to—taking into account the way the internal American system operates and the difficulties inherent in this system—enter into negotiations, take steps, to see to what extent the former cooperation can be resumed. But beware! I myself see two things here. First, I see Americans must understand that, considering that this is a government which sees itself as competent, honest and concerned with the fate of the popular and democratic masses, they should not take advantage of this need in which we find ourselves—this need to seek international cooperation in order to accelerate the development process—to impose on us conditions which would constitute an affront to national dignity. That is a fact. We will thus behave, vis-a-vis the United States, like a partner and an understanding neighbor. Although it is obvious that, considering the current depression, aid from abroad would be welcome, we would hate to see a great power take advantage of our weak position to impose conditions on a government [une experience] which wishes to be democratic, competent, technical, and devoted to the fate of the masses.

Secondly, perhaps the slowness of the resumption of aid—since we must allow 9-12 months before there can be a resumption of aid—will give us time to reflect. It provides an opportunity for us to rethink the problem of foreign cooperation. It is an occasion for us to review the cooperation programs from which we have up to now benefitted, allowing us to examine not only their philosophy but also their forms. We must rethink the channels of this aid. We must see to what extent the substance of this aid reaches the Haitian people; and not stop either at certain levels of the population or with a few foreign officials who are sent here, when we have competent people we can use.

Thus, I think that perhaps this halt is going to permit us to, during the talks which are going to develop, set forth, frankly and straightforwardly, the conditions for a resumption of this aid that will show it is really cooperation. And that we expect, from a great power like the United States, a policy of real cooperation with regard to a little nation like Haiti.

[PSS] Does this mean, Mr President, that you have options should this normalization with the United States be long in taking concrete form? What sacrifices are you willing to agree to? How far are you willing to go to achieve this normalization?

[Manigat] I think—if I have properly understood the recent turn of events—that the United States is relatively well-disposed toward the future government [une experience]. There was a protest over 29 November. This was

the worldwide reaction to the events of 29 November. Then there was a protest over the electoral process. I think that in this case, the United States, like many other powers, was relatively poorly-informed about the electoral process itself. The CEP [Provisional Electoral Council] certainly does not merit the extraordinary, systematic—and I would even go so far as to say "relentless" [acharnes]—criticism it has received. I myself tried, in a message on 30 December, to show how unfair people were being about the electoral law, which people claimed said exactly the opposite of what it said, so they could condemn it. The electoral process itself was not at all what they at first made it out to be. Now this is beginning to improve. People are already beginning to acknowledge that the process was not as bad as was thought, that it had been honest and candid—despite the fact I was honest enough to point out certain irregularities right from the start. These irregularities should not be perceived as all going in a single direction. Because the irregularities that occurred—I can cite the regions—no, I prefer not to, because we must now forget all this, for simple reasons. The irregularities in question did not occur with a view to favoring one candidate or another in the final result. No. Irregularities occurred, as they occur anywhere in the world; but these irregularities did not affect the electoral process itself. I think that the United States finally realized that, in the final analysis, as the people inside Haiti are showing today—even those who at the beginning protested the process—the path taken is the proper path. The country is entering a period of relief and of hope, heading toward normalization. I think the United States understands this, especially since, basically, Washington knows who we are. Of course, we are not as well-known as the man they formerly preferred. [as published] I won't dwell upon this; but it is certain that we are known. We are known through our international relations, our career, etc... I have often taught in the United States. I was a part of American academic institutions for a long time—either in the universities or at centers like the Woodrow Wilson center, where I was a member of the Academic Council for 8 years. I think that I am known, and that this can create—at least I hope it will—a favorable prejudice in the coming negotiations. As for me, I think that it is possible—let us say desirable—to normalize our economic relations with the United States.

Candlemas Event Stresses Political Situation

FL040022 Port-au-Prince Radio Soleil Network in Creole 1400 GMT 3 Feb 88

[Excerpts] A big ceremony and procession were held at Saint Gerard Parish yesterday 2 February on the occasion of Candlemas. This is a festival of light to chase away the darkness, all the different kinds of darkness causing the Haitian people problems and (?bringing it mourning).

The ceremony began at approximately 1530 hours. Some 3,000 faithful—Catholics, Protestants, and people of other religious persuasions—participated. The ceremony started with some 3,000 people but grew to over 12,000 participants. Father (Norman), the Saint Gerard parish priest, began the service with the water and light ceremony. [passage omitted]

Father Gabriel Bien-Aime, the parish assistant, pointed out all the different kinds of darkness, all the different kinds of obstacles, preventing the light of Jesus Christ from really enlightening all (?Christ's) children; enlightening the majority which wants to walk in light, rather than in darkness, and which wants to forsake forever the darkness that has been (?bringing it mourning) for so long—a darkness which wants to continue, despite the majority's will.

Father Gabriel also criticized the way the 17 January elections were held and all the results of these elections. Father Gabriel asked those victorious in the elections if they felt at peace with themselves.

During the sermon, there was much applause by many, many people who agreed totally with what was said. The ceremony ended with parish priest, Father (Norman), expressing his gratitude.

We will listen to an excerpt from the ceremony held yesterday in Saint Gerard Parish.

[Begin recording] [Speaker][Passage omitted] Today, Jesus tells us that it is He who is the light—the light to abolish the darkness, the light which will reveal all dark secrets, the light of understanding, the light which will open our eyes so we can see, the light which will enable us to discern, the light which will help us know what we should do. Brethern, there is darkness among us, but the light is stronger. Darkness persists among us; but Jesus Christ is stronger, the light is stronger.

You will recall that 3 years ago, on 2 February 1985, we had a big march like this in the streets of Port-au-Prince, during the year of the young. [passage omitted]

On 2 February 1985, the archbishop of Port-au-Prince had given a message that many people liked and which was very convenient for many people. Today, we, who are not at all important, do not want particularly to upset anyone. But if certain people are upset, we won't mind. [applause and shouting]

We won't waste words, but if we take a little pilgrimage, we will see how surrounded by darkness we are. Ignorance is rampant. We are making an effort to do away with it. Others are doing all they can to prevent that light from reaching the eyes of the poor. Misyon Alfa is doing all it can to spread the light of intelligence, of understanding. But others are doing all they can to prevent the light from reaching its destination.

The church is working, preaching a gospel that is not just sugar water, that is not a gospel which teaches people to lower their eyes but rather a gospel that encourages

people to assume their humanity, a gospel that encourages people to assume human responsibilities; and they persecute the church. They say all kinds of things about it, blame it for all kinds of things.

But the beautiful thing is that the church is standing firm. [applause].

Jesus Christ's light, in the gospel, will continue to spread in Haiti, in order to counter all the darkness.

Brethern, don't say I'm a dreamer, but allow me to address Mr Manigat. [prolonged applause and shouting] Mr Manigat, how can you sleep at night, when you remember you were appointed president over the 29 November massacre?. Mr Manigat, how can you sleep at night when you remember it is through fraud, corruption, and theft that you have been appointed president? [prolonged applause and shouting] Mr Manigat, what foot are you going to put forward first, in heading for the palace, which is the house of the Haitian people, when you know better than I that only a handful of people voted. [prolonged applause and shouting] [passage indistinct due to crowd noise] [end recording]

That was an excerpt to give you an idea of the atmosphere at Saint Gerard Church at the Candlemas festival yesterday. There was a procession, in which people carried signs denouncing everything causing the people problems and preventing the majority from living peaceably today.

March Held Against Manigat's Inauguration

FL031220 Bonaire Trans World Radio in English 1130 GMT 3 Feb 88

[Text] In Haiti, a large-scale demonstration has been held to protest Leslie Manigat's presidential inauguration, scheduled for Sunday.

Some 10,000 people have joined the march in Port-au-Prince spurred on by organizers who agree Leslie Manigat won the January election through vote rigging; the organization says they will hold more protest demonstrations.

El Salvador

Official To Block Zona Rosa Suspects' Release

PA011309 San Salvador Canal Seis Television in Spanish 0200 GMT 29 Jan 88

[Text] Attorney General Roberto Giron Flores today criticized a judicial order for the release of three alleged guerrillas accused of participating in an armed attack on U.S. advisers in the Zona Rosa in 1985. On Tuesday, a military court granted amnesty to political prisoners and confirmed a lower court order releasing the three suspects. Robert Giron Flores, who objects to applying the government amnesty to the Zona Rosa case, and also to the decisions of the two courts, maintains that innocent people, as well as persons with diplomatic status, were killed in the attack:

[Begin Giron Flores recording] Innocent civilians were killed in the Zona Rosa attack, people who had no known political affiliation or ideology. They were people who happened to be in the area and who were killed for no political reason.

It is said that those who killed the persons in the Zona Rosa were trying to kill U.S. citizens. That is the justification they give. At the same time, however, they killed Salvadoran citizens who had nothing to do with the nation's social and political problems. [end recording]

As for reports that Salvadoran officials have given the United States assurances that they will take every legal measure to have the judicial order overturned, the attorney general stated that he is under no pressure from the United States:

[Begin Giron Flores recording] I couldn't care less—pardon my language—whether some believe I am doing this to please or displease the United States. I do it because I believe the law should be enforced no matter what the circumstances. I am doing it because I am convinced it should be done, not to get on the good or bad side of the United States or any local group. [end recording]

In the next 15 days, the Office of the Attorney General will employ its final right to request that the amnesty decreed by the two courts be rejected. The case will ultimately be decided by the Supreme Court of Justice. Meanwhile, the release order for the Zona Rosa shooting suspects has been suspended pending resolution of the request.

FMLN Notes 477 Army Casualties in January

PA022211 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 1 Feb 88

[Text] The following is a report of operations conducted in January 1988. The FMLN carried out ambushes, night maneuvers, attacks on enemy positions, and raids of towns throughout the nation in January. These inflicted 477 casualties—including dead and wounded—on the Duarte forces. These forces are very sad over the announcement that the Reagan administration will continue cutting the aid that allows them to continue waging this counterinsurgency war.

The 477 casualties include 1 captain, 3 lieutenants, 1 unidentified officer, 2 sublieutenants, 2 officer pilots, and 1 sergeant. We also captured one helicopter gunship crewman, four corporals, and one radio operator.

During January, the FMLN also shot down a U.S.-made helicopter in the Guazapa area [passage indistinct].

A total of seven military trucks were destroyed during successful ambushes. The ammunition depot of the cavalry garrison was also destroyed in January. The FMLN additionally seized weapons in January during clashes throughout the nation. It is a sea of guerrillas and organized people capturing the weapons that Reagan is sending to the puppet Army. We captured 1 81-mm mortar, 31 rifles, 3 M-79 grenade launchers and 75 grenades, 2 M-72 LAW rocket launchers, 6 TRT-77 military communications radios, 1,070 cartridges, 6 U.S.-made mines, 51 [words indistinct].

Venceremos on U.S. Aid Cut to Government

PA040259 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 1 Feb 88

[Station commentary]

[Text] The U.S. Government has just announced that due to the current U.S. economic crisis, aid to 30 countries, including El Salvador, will be cut. A spokesman for President Reagan said that the government of Napoleon Duarte will receive only $85 million of the $110 million promised for this year. The U.S. State Department said this aid cut is dangerous to U.S. security, but the serious budget deficit and economic crisis left the Reagan administration no other choice.

The announcement, which was broadcast by VOA, must have felt like a bucket of cold water to Duarte and the Salvadoran generals after previous U.S. aid cuts. As a reminder, Reagan's policy of intervention and subjection included sending El Salvador several million dollars in response to the release of the military men who murdered four U.S. nuns.

To top it off, the U.S. Embassy announced last week it would cut another $18 million in promised aid if the military courts upheld a ruling that frees the presumed Zona Rosa commandos. So, more cuts in the aid that El Salvador needs for its counterinsurgency operations have been announced. Cutting this aid is like cutting off a man's oxygen. At a time when the government feels most isolated and weakest, this cut is a heavy blow to the Salvadoran Army, which owed 100 million colones in officer and rank-and-file salaries at the end of last year.

It is clear that the Armed Forces are in for hard times since Duarte's Army operations rely on U.S. aid. Its expenditures have doubled since the FMLN's advance forced it to carry out operations in the western regions of El Salvador. The Army previously carried out operations only on the streets of San Salvador. Even here, they have begun to suffer casualties and to lose weapons at the hands of urban commandos. This is a country where the revolutionary war is closing in on our goal of insurrectional explosion.

The U.S. State Department has said the cut in aid to Duarte jeopardizes U.S. security. Americans think that their money and economic stability come first; this is why they chose to sacrifice an ally who will inevitably be defeated. The Reagan government's decision to cut aid to Duarte can best be described by the words of one U.S. Government official, who said: Our government has no friends, but it has interests. When Reagan cut aid to Duarte, he must have thought, sitting in his White House office, that for them, $1 in the hand is worth more than 100 Duarte's in the bush.

FDR's Oqueli on Party, Electoral Process

PA291344 San Salvador Radio Cadena YSU in Spanish 0230 GMT 27 Jan 88

[Interview with FDR leader Hector Oqueli Colindres by Dario Villalta on the "Political Impact" program—live or recorded]

[Excerpts] [Villalta] How do you feel about returning to the country and trying to join the electoral struggle after so many years of absence? Do you think that the credibility of free elections has increased, or do you think that belief in the possibility of free elections has remained the same and that the conditions which prevailed at the time of the FDR's founding persist?

[Oqueli] We believe, in fact, that we have returned to a country that is facing different situations. The FDR was born in 1980 when there was a government junta that included Napoleon Duarte. It is a paradox that Duarte, a civil engineer, now ends up as president of a type of military junta. These were the years when many thousands of Salvadorans were killed en masse. Naturally, because we were exiled—because we were forced out of the country—we had to leave our fatherland. We recall those years when thousands of Salvadorans were killed each month. This was a terrible thing that can only be compared to similar situations in other countries.

We now return with mixed feelings. We are very pleased to be back home, talking with our people in El Salvador, and observing our country. We believe the situation has fundamentally changed. There is an armed conflict here, one in which the United States today plays a different role than that of 7 years ago.

There have been some changes in the fields of agriculture and banking; and foreign trade has been nationalized. Rightist parties that did not exist before in El Salvador have been created. Previously there were official parties that served other, such as the military and the oligarchy. The oligarchy at that time did not believe that it had any direct need for a political instrument to interpret its feelings and actions.

It is worthwhile mentioning that these rightist parties are the strongest in Central America. There are no leftist organizations. A democracy of the right and for the right has been promoted.

When we said we wanted to come to El Salvador to employ our political rights, the president of the Republic stated that we might be murdered. He said that once, and now for a second time the president has mentioned there is a chance we could be imprisoned. This is a very disturbing situation, one in which we believe there is still much to be done. We believe there cannot be a full democracy if there is not a sovereign and absolute respect for human rights.

[Villalta] Thank you, Doctor. I believe you have answered our first question very well. At the beginning of this program, we referred to your views on the electoral process. I liked your observations, and I believe your group will eventually join in the electoral process. Could you explain your stand?

[Oqueli] We have carefully observed the Salvadoran electoral process. Elections have always been a problem in El Salvador in light of the massive frauds committed by the ruling parties. Let us recall, for example, the frauds of the ruling parties in 1972 and 1977 to impose the leadership—through the PCN [National Conciliation Party]—of Colonel Arturo Armando Molina and General [Carlos Humberto] Romero. Although there are now more political parties, there has never been a serious debate on the issues that should really be confronted to solve the most serious crisis that our fatherland has ever known.

The name-calling among candidates is terrible. They call each other names, and these appear in some newspapers. This surprises many foreign observers and analysts who frequently visit our fatherland. This shows there is no serious, responsible debate on how to solve the problems affecting our country. Now—when the campaign is hardly underway—the candidates for deputies do not seem to be discussing what the best legislation for our country would be. The candidates for the mayor of San Salvador seem to be discussing this. The main political parties in the campaign apparently are rushing to tell the people that they could do a better job of collecting garbage than their political opponents could.

San Salvador continues to be a center of national politics. Some right-wing political parties have formed coalitions to try to defeat President Duarte's son in the

elections for mayor of San Salvador. The Christian Democratic Party [PDC] has tried to use its candidate—the president's son—in an effort to rescue the name, but not necessarily the charisma that the president may once have possessed when he was elected. In that way, the debate has not really focused on the main problems affecting our country.

I believe we—the MNR [National Revolutionary Movement] and the Democratic Merger—have the best plan for collecting garbage in El Salvador. When we announced the Democratic Merger platform, we listed four basic points. One of them would probably help us collect garbage. That point concerns a negotiated political solution to the national problem. A negotiated political solution would allow us to end the war and the armed conflict. The resources spent to continue the war could very well be used not only to buy garbage trucks, but also to eliminate many sources of infection that are spreading many diseases. This would thus solve the public health problem, housing problems, and the transportation problem. It would definitely solve several problems no that government has been able to solve.

There are no social or economic policies that can accomplish anything under the present circumstances. The conflict must be ended, and the best way to find a solution to this conflict is through a negotiated political solution. [passage omitted]

[Villalta] According to certain groups, there is a contradiction between the FDR—which is considering participating in the elections for deputies, mayors, and, eventually, the president—and the FMLN, which believes in boycotting these elections. Would you comment on this?

[Oqueli] I believe persons who live and work with political pacts are the ones who should know more about these positions and situations, because they know political alliances can be a political party's option. I will give you an example: The Christian Democrats made a pact with the Armed Forces in 1980 and then had to make pacts with right-wing parties to have the Constitution approved. The Christian Democrats have also made pacts with the UPD [Union of Democratic Parties] to try to give wider support to Duarte's presidency. We now see a clear case of political alliance between Duarte and his Christian Democrats, the military, and the United States. It is a triple alliance. Due to a series of past events in this country, no one can deny that Duarte would never have been president if he had not had the support of those two allies.

The FMLN and FDR therefore have an alliance. The FDR is not the political wing of the FMLN, nor is the FMLN the armed wing of the FDR. It is not a matter of military power being subordinated to political power or vice versa, because there is no reason for subordination. For example, the FMLN organizations are defined as political-military organizations, and they have their own political structures. We have no need to meddle in their affairs, just as they have no need to meddle in ours.

We, the FDR, have our own organization that belongs entirely to us. We have promoted our own policy. As an example, in international relations we are affiliated with the Socialist International, where we cultivate friendship with other colleagues such as Felipe Gonzalez, Francois Mitterrand, Socialist International President Willy Brandt, and someone who was one of our best personal friends—Swedish Prime Minister Olof Palme, who was murdered.

What we decide about the elections is therefore our policy, and what our allies decide is theirs. These are entirely different decisions.

Honduras

Azcona Acknowledges Police 'Irregularities'

PA011952 Panama City ACAN in Spanish 1553 GMT 30 Jan 88

[Text] Tegucigalpa, 30 Jan (ACAN-EFE) Honduran President Jose Azcona Hoyo acknowledged to leaders of popular organizations the existence of illegal paramilitary forces and irregularities in police operations.

Azcona admitted this last night following a long meeting with a popular organizations committee that included human rights defenders, minority political parties, associations, and union, professional, and student organizations.

The leaders present at the meeting today told the media that the dialogue was frank, and that the president promised to look for corrective measures to make the police a security force that would repress crime, not citizens' organizations.

They also reported that the president expressed awareness of and concern over the increasing wave of violence and crime in the country. He promised that, along with the commander of the Armed Forces, he will search for an adequate solution to the problem.

The meeting's participants noted that Azcona complained of the constant harassment inflicted upon his government by popular organizations due to the political violence, criminal acts, and repression suffered by many organizations.

They added Azcona had explained that his government was not guilty of the murders and disappearances, but that it had instead inherited these problems. He added, however, that he is actively searching for corrective measures to redress these problems.

Police Official Notes Force's Reorganization

PA012214 Panama City ACAN in Spanish 1543 GMT 30 Jan 88

[Text] Tegucigalpa, 30 Jan (ACAN-EFE)—The Honduran Police Force began reorganizing today, and 15 infantry lieutenant colonels will be assigned to command posts next Monday.

Mayor Manuel Antonio Urbina, interim head of the public relations office of the police forces, confirmed that "the police will now be more organized militarily, and that commands will be rotated to keep our ranks active."

He noted it is still not known which lieutenant colonels will be assigned to command posts. However, he did confirm that Lieutenant Colonel Guillermo Pinel Calix, the current head of the secret police, will be transferred to an infantry combat unit.

The Honduran police will keep constant watch in the cities and will patrol rural areas.

Reassignments in Armed Forces Announced

PA020126 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 1 Feb 88

[Text] These are the changes that have occurred in the Honduran Armed Forces:

Colonel Carlos Reyes Barahona, commander in chief of the Honduran Navy, has been appointed director of the Command and Staff School; Col Leonel Gutierrez Minera, Army chief of staff, has been appointed Navy commander in chief; Col Juan Lopez Grijalva, commander of the 105th Military Brigade, has been appointed Army chief of staff; Col Alvaro Antonio Romero Salgado, commander of the 4th Battalion, has been appointed commander of the 105th Brigade.

Col Reinaldo Andino Flores, director of the Francisco Morazan Military Academy, has been appointed commander of the 101st Brigade. He replaces Col Cesar Augusto Maradiaga Andino. No changes have been reported in the 110th Brigade, which is commanded by Col Ruben Rolando Torres.

Col Claudio Alfredo Lainez Coello, commander of the 3d Artillery Battalion, has been named director of the Francisco Morazan Military Academy. Col Ramon Rosa Martinez, commander of the 1st Infantry Battalion, has been appointed commander of the 4th Infantry Battalion. Lieutenant Colonel Jose Luis Nunez Bennet, director of the Military Intelligence School, has been appointed commander of a artillery battalion, possibly the 3d. He would replace Col Lainez Coello.

Col Carranza has been named director of the Military Intelligence School. Lt Col Cesar Zelaya Estrada, Armed Forces industrial manager, has been appointed commander of an artillery battalion, probably the 2d. Col Lupi Hassan Matute, director of the Staff School, has been designated personnel director of the Joint Staff School. Lt Col Mario Hum Pacheco, director of the National Police Academy, has been named commander of the 1st Special Forces Battalion. He replaces Lt Col Alvaro Lopez Reyes, who has been transferred to the Army's administrative section. Lt Col Mario Amaya, commander of the 12th Infantry Battalion, has been transferred to the 2d Airborne Battalion. He replaces Col Luis Alonso Discua Elvir.

Finally, Lt Col Guillermo Pinel Calix, head of the National Investigations Directorate, has been appointed deputy commander of the 2d Airborne Battalion.

'Pressure' on Salvadoran Refugee Issue Denied

PA291251 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 27 Jan 88

[Text] A Honduran Foreign Ministry press release denied statements attributed to Salvadoran Foreign Minister Ricardo Acevedo Peralta concerning alleged Honduran pressure to bring about a massive repatriation of Salvadorn refugees.

Dr Joaquin Mata Martelli, Salvadoran deputy foreign minister, told Mario Maldonado Munoz, Honduran ambassador to El Salvador, that the newspaper account was untrue. In fact, the tripartite commission composed of Honduras, El Salvador, and the UNHCR [United Nations High Commissioner for Refugees], agreed last year that voluntary repatriations should not exceed 500 persons at a time.

The news item caused some surprise, because relations between Honduras and El Salvador are excellent, and there is complete understanding between both governments concerning the repatriation of refugees wishing to return to their respective countries. Honduras has exerted absolutely no political pressure, and there has been no Salvadoran reaction to indicate that such pressure in fact existed.

According to the Honduran Foreign Ministry press release, the operations for voluntary repatriation are being carried out by the tripartite commission with the utmost cordiality and coordination.

Poll Views Further U.S. Aid to Contras

PA310152 Tegucigalpa EL HERALDO in Spanish 27 Jan 88 p 68

[Text] The last portion of the public opinion poll conducted last week concerned the contras. People in the capital were asked whether the U.S. Congress should approve aid to the Nicaraguan Resistance, which President Reagan requested on 27 January.

The results were:

1. Should the U.S. Congress approve or reject President Reagan's request for aid to the contras?

1. Should be approved: 44.9 percent

2. Should be rejected: 55.1 percent

City residents are divided on approving the $270 million for the Nicaraguan rebels. The poll's 5-percent-plus-or-minus margin of error indicates that there is the possibility that half of Tegucigalpa's citizens favor further military aid, while the other half rejects it.

An important point that should be noted is that 25 percent of those interviewed do not at this time support further aid to the so-called freedom fighters, as President Reagan calls them. This is despite the interviewees' belief that Nicaragua is a threat to Honduras and their great doubt that Ortega will keep his promises. Reagan is now playing his last card with the U.S. Congress. This indicates a change in attitude by city residents toward the contras.

Males make up the greatest number of those who do not agree that more military aid should be given to insurgent groups. Six out of 10 men firmly believe this, while females are equally divided.

	Males	Females
Should be approved:	41 percent	49 percent
Not a threat:	59 percent	51 percent

Young people between the ages of 18-24 are the ones who oppose U.S. congressional approval for further lethal aid to the groups Daniel Ortega calls "mercenaries." Two out of three young people say this, while only the 60-plus age group agrees (61 percent) that more aid be given.

	By age			
	18-24	25-39	40-59	60-plus
Should be approved:	35 percent	48 percent	45 percent	61 percent
Should not be approved:	65 percent	52 percent	55 percent	39 percent

Briefs

Human Rights Appointment Noted

Hector Rolando Vasquez has been appointed regional president of the Honduran Human Rights Committee, replacing Miguel Angel Pabon, who was shot to death on 14 January. [Summary] *[Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 1 Feb 88 PA]*

Nicaragua

Envoy to U.S. Views House Vote on Contra Aid

PA05015 Managua Domestic Service in Spanish 0347 GMT 4 Feb 88

[Interview with Carlos Tunnermann Bernheim, ambassador to the United States, from Washington by unidentified reporter—live]

[Text] [Reporter] We have Mr Carlos Tunnermann on the line, and will now ask him about the vote that just took place at the U.S. House of Representatives. Go ahead, Mr Tunnermann:

[Tunnermann] This is the result of the vote on the Reagan administration's proposal to grant further aid to the counterrevolution: 219 votes against and only 211 in favor. The breakdown of the vote was as follows: 47 Democrats voted for Reagan's proposal, while 207 voted against it; 164 Republicans voted for it, while 12 voted against it; and 4 representatives abstained. The final result was 219 votes against and 211 votes in favor, meaning President Reagan's proposal was rejected. Tomorrow, the U.S. Senate will discuss the proposal. However, it will first discuss and vote on whether it is worthwhile debating and discussing this proposal following its rejection by the House of Representatives.

Some people believe it is not worthwhile for the U.S. Senate to discuss the proposal now that the House of Representatives has rejected it. This is because the rejection by one of the two chambers is enough to prevent a law from being approved. Therefore, the Senate vote cannot change the situation. However, other senators—especially Republicans—believe that the Senate debate and vote is necessary to officially register the vote. However, this will not alter the legal situation, in which the Reagan administration's proposal was rejected.

We believe the U.S. House of Representatives simply recognized the wishes of the majority of the American people, who—through polls, the fasting of dozens and hundreds of U.S. citizens who sat on the stairs of the Capitol praying and fasting for bill's defeat, and all the demonstrations against the contra aid—stated that that they oppose the U.S. policy of financing the counterrevolution.

We now hope that based on this result, we will continue to fulfill the Central American peace plan, end the war, and honor all the agreements included in the peace plan with all our goodwill.

We were informed that Nicaraguan President Commander Daniel Ortega will tomorrow express the official reaction of the Nicaraguan Government to the rejection of the Reagan administration's proposal by the U.S. House of Representatives.

[Reporter] Ambassador Tunnermann, what is the meaning of the result of this vote in view of the U.S. political scene?

[Tunnermann] First, it means the House of Representatives has expressed its support for the Central American peace plan, for a negotiated option, and for a peaceful, civilized solution. We must say this is also a personal victory for House Speaker Jim Wright, who from the start expressed his opposition to the counterrevolutiony aid. It is a victory for the U.S. Democratic Party, because 207 of the 219 votes against the measure were Democratic votes, while 12 were Republican votes. In this delicate U.S. foreign policy issue, this means that the Democratic Party weighed the balance in favor of fulfilling the Central American peace plan.

[Reporter] Mr Tunnermann, some ultraconservative sectors in the United States have already announced that due to the rejection of the contra aid, they will begin to privately collect money throughout the United States to replace the contra aid the House of Representatives rejected. The group making this announcement includes General Singlaub, who has conducted these kinds of drives in the past. He has already requested aid for the mercenaries. Mr Tunnermann, is this legal, and how can we interpret it? Can we sue or take some action against these activities?

[Tunnermann] Representative Foley, the leader of the Democratic majority, already stated that if the U.S. Government promotes private aid for the counterrevolution, this would be acting against the will of the U.S. Congress. In addition, we already have the experience of the Iran-Contra scandal. On that occasion, by seeking ways to finance the contra movement behind the back of the U.S. Congress and against its policy—despite the Boland Amendment—the U.S. Administration got in a mess. The whole problem known as the Iran-contra scandal then arose.

[Reporter] Mr Tunnermann, among the hundreds of press agency items we received from Washington today was one stating that in view of today's defeat in the House of Representatives, a White House spokesman stated that the rejection of aid for the mercenaries does not rule out the possibility of direct U.S. intervention in Nicaragua. What can the House of Representatives and what can the U.S. Congress do to prevent such an action?

[Tunnermann] This means Nicaragua must not believe the danger, that the danger for our country and revolution has been overcome. We must remain alert, for we know the U.S. Administration is obsessed against us. It is determined to try and destroy our revolution. Therefore, we must not rule out that possibility, although we believe that this vote, which responds to the wishes of the majority of the American people, will force the U.S. Administration to meditate. However, we must always remain alert and act very carefully, because as long as this administration remains in power, we cannot lower our guard under any circumstances.

[Reporter] Mr Tunnermann, since you are in Washington and are closely observing U.S. policy, especially that of the U.S. Government, how do you think that President Reagan and his closest collaborators, cabinet members, and secretaries of state—who furiously supported his campaign against Nicaragua—will react?

[Tunnermann] It was announced today that President Reagan convoked a meeting of his top advisers—including the national security adviser, the secretary of state, and the White House chief of staff—to discuss the steps they will take. It has even been said they may present an alternative, but that is not certain. The truth is that a meeting has been scheduled for tomorrow to discuss how they will react to today's defeat suffered in the House of Representatives.

[Reporter] In any case, Mr Tunnermann, does President Reagan have the power to go over the head of the House of Representatives and adopt harmful measures against Nicaragua?

[Tunnermann] Not according to the law. The problem is that we have the experience of the Iran-contra scandal, in which the U.S. Administration did not respect the restrictions established by the House of Representatives. Therefore, we must be alert.

[Reporter] Mr Tunnermann, we apologize for taking so much of your time, but we would also like you to say something to our people, especially because you are here at the scene of events.

[Tunnermann] Of course. I congratulate the heroic people of Nicaragua, because this is a victory of their sacrifices and revolutionary decision. They have defended our revolution at all times. I want to tell the Nicaraguan people that this vote gives us greater possibilities for attaining the longed-for peace. Good night.

Says Managua 'Ready' for Talks

PA041359 Managua Radio Sandino in Spanish 1200 GMT 4 Feb 88

[Interview with Carlos Tunnermann Bernheim, ambassador to the United States, by unidentified Radio Sandino reporter in Washington on 3 February—recorded]

[Excerpt] [Passage omitted] [Reporter] Dr Tunnermann, a news report received tonight says that plans outlined before the House vote on contra aid indicate that in the next few weeks, the Democrats will present Congress with a proposal for humanitarian aid to the contras. This is something that Howard Baker, the White House chief of staff, described as a surrender and as aid to refugees.

What mechanism could be used for this humanitarian aid? Some time ago, you spoke of channeling humanitarian aid through the International Red Cross.

[Tunnermann] Yes, during the debate, several representatives mentioned this possibility, including the House speaker himself, who was one of the final speakers in the debate. It is our understanding that they are referring to the humanitarian aid provided for in the Esquipulas II agreement; that is, true humanitarian aid through the Red Cross that would be used for medicine, clothing, food, and shelter. This would absolutely not involve logistical or military aid, and it would come only after a cease-fire has been achieved, as Nicaragua has clearly indicated and as the Esquipulas II agreement provides for. Now we will have to see how this will be applied. From the speeches made during the debate, it would seem as if the Democratic Party proposal falls within the provisions or clauses of the Esquipulas II agreement.

[Reporter] In other words, this humanitarian aid would be part of the Esquipulas II agreement?

[Tunnermann] That is what we are hoping. The Democrats have not made their proposal public, but in the debate they outlined some ideas, and so far, they have said it would come within the terms of the Central American peace plan.

[Reporter] Dr Carlos Tunnermann, after the House's decision by 219 to 211 votes to reject the request for contra aid, do you have any message for President Ronald Reagan?

[Tunnermann] Well, my message is the same as the one contained in the letter President Ortega sent President Reagan. The message is that this is the time, now that Congress has responded to the wishes of the American people, for the U.S. President to accept the Nicaraguan president's invitation to begin bilateral talks or a bilateral dialogue to find ways to normalize relations. This is because normalizing relations would also be a significant contribution to peace. This means that this is the moment for peace; this is the hour of peace; this is the hour of negotiations. We must thus rule out any possibility of continuing to pursue aggression and force. This is a victory of right and reason, and one must adhere to right and reason, as the International Court of Justice stated more than 2 years ago.

[Reporter] Dr Tunnermann, if the State Department was to extend an invitation tomorrow to the Nicaraguan ambassador to begin talks, what would your response be?

[Tunnermann] We have always been ready to talk. We have proposed a resumption of bilateral talks. If the State Department was to extend this invitation, I would immediately begin bilateral talks between Nicaragua and the United States.

Ortega Views Elections, Contra Aid, Amnesty

PM031204 Rome LA REPUBBLICA in Italian 2 Jan 88 p 9

[Interview with President Daniel Ortega by Alberto Flores d'Arcais in Rome; date not given]

[Text] Rome—"Was my meeting with the pope chilly? I deny it. I came to talk about peace, and His Holiness pledged to support the peace process." Sitting in a small reception room at the Savoy Hotel, 100 meters from the U.S. Embassy, Nicaraguan President Daniel Ortega displayed a moment's irritability: "In fact, I am satisfied and am also very pleased with my meetings with Italian leaders." Ortega's very hurriedly prepared European tour has given him the hoped for results. He has secured from both Spain and Italy a willingness to join the verification committee of the Arias peace plan accords, and he now looks ahead to the future with some optimism, on the eve of the U.S. congressional vote on aid to the contras.

[Flores d'Arcais] What will Nicaragua do if Congress votes in favor of the aid?

[Ortega] I do not believe this vote will be favorable. This is because that would mean Congress' voting for war and against the peace accords that the Central American presidents signed in Guatemala in August and that were recently ratified in Costa Rica. If, through some misfortune, Congress does approve Reagan's request to allocate funds—which will amount to more than the $60 million dollars, this being just the first part of the funding Reagan requested—then Nicaragua will appeal to the American people, the international community, and the Latin American countries to speak out against it and to safeguard the peace plan.

[Flores d'Arcais] Would the direct dialogue with the contras that is due to resume 10 February be broken off?

[Ortega] No, the talks will continue, because we intend to fully abide by the provisions of the peace plan, with or without the funds.

[Flores d'Arcais] Are the talks with the contras confined to a cease-fire, or are you also discussing Nicaragua's future and what your country will be like once the war is over?

[Ortega] No, we are only discussing the cease-fire, because this is the point envisaged by the Esquipulas accords. The peace plan clearly states that there must be a political dialogue only with opposition parties or groups that are unarmed.

[Flores d'Arcais] What will happen after the cease-fire?

[Ortega] There will be an amnesty, and whoever wants to do so can return to Nicaragua as a free citizen. It will be very important to establish a security mechanism to enable everyone to live calmly and peacefully in Nicaragua or to go and live in another country, if they so desire.

[Flores d'Arcais] Will all the contras be able to return to Nicaragua as free citizens?

[Ortega] All of them.

[Flores d'Arcais] Even the military leaders?

[Ortega] The amnesty applies to everyone: This is what we agreed in Guatemala with the other Central American presidents, and we intend to honor it.

[Flores d'Arcais] Does that include even Colonel Bermudez, the former head of the Somozist Guards?

[Ortega] Yes, when I say "everyone," I mean that no one is excluded. I will not deny that it will not be easy, that we will have difficulties in explaining all this to the population, to relatiues of the victims of terrorism, to the mothers of youngsters killed by the contras. It will not be easy, but we cannot do otherwise.

[Flores d'Arcais] The accords also mention democracy. What kind of democracy will there be in Nicaragua?

[Ortega] We are already building a democracy in Nicaragua. We want to achieve total democracy. We want to take account of the historical experiences of other countries that have had a revolution—in Latin America, Mexico, for instance—but we must also consider the experiences of countries such as the United States, of the European states, and of those of the socialist community. We want to achieve as quickly as possible the complete implementation of the Constitution, which already embodies the principles of the Nicaraguan system: nonalignment, political pluralism—which means the existence of opposition groups—freedom of the press, and a mixed economy. All these concepts already exist in our national Constitution. To make all this work, the war must end. Then democracy will work, and I am certain that Nicaragua will be entitled to lead a renewal in Central America. Indeed, we are providing the Nicaraguan people with not only political but also material and moral answers. Democracy also entails a fair distribution of wealth and higher living standards.

[Flores d'Arcais] Political pluralism also means free elections. When will they be held? Has a date been set?

[Ortega] The date for the next general election has been set. Deputies to the National Assembly will be elected in November 1990. Before that there will be municipal elections and elections to the Central American parliament, as envisaged by the peace accords.

[Flores d'Arcais] When will they be held?

[Ortega] A date has not yet been established.

[Flores d'Arcais] What will you do if you lose the next elections?

[Ortega] I am 100-percent certain of winning them. I believe that all members of Nicaragua's 15 parties agree with me; none of them really believe they can win the elections....

[Flores d'Arcais] But what if an opposition party did win?

[Ortega] In the hypothetical case that an opposition party did win, then we would leave the government and become an opposition party, as happens in all democracies.

[Flores d'Arcais] Can these parties carry out their activities freely?

[Ortega] Yes, and they do so indeed.

[Flores d'Arcais] Why, then, did you have the opposition leaders arrested on their return from a meeting in Guatemala?

[Ortega] They were arrested because they had attended an illegal meeting with the contra leaders, because they wanted to ally with the people waging an armed struggle against Nicaragua. It was a meeting promoted by the U.S. Government that was supposed to end with a news conference. When Guatemalan President Cerezo discovered this, he summoned them and told them they were making a mistake, that it was not envisaged by the Esquipulas accords. He then had them put on an airplane, and had them expelled, against the wishes of the Americans. From Guatemala, they want to El Salvador. Cerezo told us about it at the meeting of heads of state, and Duarte confirmed it. It was our basic duty to question them, to ask them what they were doing. We told them that they were contravening the accords, that they could not ally with terrorists, with armed groups.

[Flores d'Arcais] How long did they remain in prison?

[Ortega] They never went to prison. We questioned them, then released them.

[Flores d'Arcais] What did they tell you?

[Ortega] They told us they had not realized it, that they had no intention of doing anything illegal. They vindicated themselves, so we had no reason to keep them in prison.

[Flores d'Arcais] You said that all the contras will be able to return to Nicaragua....

[Ortega] Only once they have laid down their weapons....

[Flores d'Arcais] Will they be able to ally with the opposition parties?

[Ortega] Of course. Look, I believe that once the war is over, after the amnesty, the contras will belong to the opposition parties to form their own party. The important thing is that they be unarmed and that they accept the democratic rules. In fact, I am certain that some of them will support the revolutionary process because they are peasants, humble people who have often been forced to support the counterrevolution since they were in areas controlled by the guerrillas.

[Flores d'Arcais] There is also the problem of the refugees—people who have left Nicaragua but who have not fought with the contras.

[Ortega] Many of those who left the country are already returning along both the Atlantic and the Pacific coasts. Many fled out of fear of the war, because they lived in border areas, and not necessarily because they supported the contras.

[Flores d'Arcais] The return of the refugees also poses major economic problems.

[Ortega] Yes, and this is a problem that several international organizations are also dealing with. The peace plan also mentions the refugee problem. There are Nicaraguans living in Honduras and Costa Rica, but in Nicaragua, there are also refugees from other Central American countries.

[Flores d'Arcais] Do you believe that the U.S.-USSR dialogue has facilitated, or can facilitate, the Central American peace process?

[Ortega] To me, it really does not seem to have facilitated it. On the contrary, I believe that it has helped President Reagan pursue a more rigid policy. This is because the accord with the Soviet Union—a historic event—has strengthened his image and allowed him to feel freer to do what he wishes against Nicaragua. Of course, such an accord is a risk for us: It depends what President Reagan does or does not do against Nicaragua.

[Flores d'Arcais] Does this mean that your alliance with the Soviet Union is weakening?

[Ortega] Our relations with the Soviet Union are normal and unconditional, inasmuch as the Soviet Union imposes no conditions on us. Soviet aid is important, but it certainly does not constitute all our aid. Nicaragua maintains relations with many states. Despite the pressures exerted by the United States, we have relations with the West European countries, with the Latin American countries. Immediately after the embargo was introduced, Canada declared its willingness to purchase all of our products that were destined for the United States, and to sell us the items we were supposed to buy from the United States.

[Flores d'Arcais] You maintain special relations with the USSR, however.

[Ortega] We do not belong to the Warsaw Pact or any other bloc: We are a nonaligned country. The Soviet Union supplies Nicaragua with approximately 40 percent of the oil it needs, and this aid is undoubtedly vital to us.

[Flores d'Arcais] What about military aid?

[Ortega] I spoke with CPSU General Secretary Gorbachev in November shortly before he went to Washington, and I told him to convey to Reagan our total willingness to reach an accord to limit offensive weapons in Central America—only as long as he supported the peace plan, however. The CPSU general secretary told me he would propose a joint U.S.-USSR statement supporting the peace plan, which would have been very important. Reagan did not accept it, however.

Contra Leader Robelo on Funding, Dialogue

LD040929 Madrid Domestic Service in Spanish 2200 GMT 3 Feb 88

[interview with contra leader Alfonso Robelo by unidentified studio correspondent, via telephone link-up with Costa Rica—live]

[Excerpts] [Correspondent] We now have Alfonso Robelo live on the line from Costa Rica—good evening.

[Robelo] Good evening, how are you?

[Correspondent] You are a leader of the Nicaraguan contras.

[Robelo] I am a leader of the Nicaraguan Resistance.

[Correspondent] If you don't mind, over the next few minues we shall stay with you live while we get the latest news on what is happening. Naturally, you will be closely following what is now happening in the U.S. Congress.

[Robelo] Indeed. The U.S. aid to allow us to be able to maintain military pressure on the Sandinist dictatorship is extremely important. This is because we believe this military pressure has been a determining factor in getting the Sandinists to yield ground to the extent that they have within the Arias peace plan, the Guatemala peace plan. So, yes, I am following it. [passage omitted]

[Correspondent] Alfonso Robelo, do you really believe that the vote will be in favor of granting this aid?

[Robelo] Well, we believe that there should be a vote in favor of it, but we realize the fact that it will be very close and could go either way.

[Correspondent] You have heard the views of some U.S. congressmen, especially Democrats. Would you be prepared to admit that with this aid, the recent Guatemala accords agreed upon by the five Central American presidents, and which were again recently ratified in Costa Rica, will be violated and, therefore, broken?

[Robelo] In no way. The Guatemala agreement of 7 August ended on 5 January, and the Sandinists have not fulfilled them. They are now outdated—Guatemala has already ended. At the San Jose meeting, it was said that the Sandinists should fulfill them immediately, without excuses and without looking to see what their neighbors were doing. Really, it thus seems to me that there is now no sense in giving them any more time. So, the Guatemala plan, the peace plan of President Arias, is not a plan without a time limit. It did have a time limit. The Sandinists wasted this time and did nothing, and now they are trying to get it extended as though it were something permanent. I understand that there should not be deadlines for peace, especially when there is a civil war in which Nicaraguans on both sides are dying. However, there is a clear Sandinist strategy to gain time in order to antagonize the U.S. Government and jeopardize a situation that should have already been resolved; that is, the Arias peace plan.

[Correspondent] There is something I don't understand, Alfonso Robelo: You say that the Esquipulas accords that were signed last summer in Guatemala ended on 5 January, and that the Sandinist government has not fulfilled them, but after 5 January you sat down for the first time after several years of war to hold direct talks with Sandinist officials. Do you believe in dialogue or not?

[Robelo] We believe in dialogue, but we go into it with our eyes very much open. This is because we are also familiar with the ploys, tricks, and treachery of the Sandinists. That is to say, we attend the dialogue because we do not want to be an obstacle to the search for peace, and because we have to do everything we can to attain peace. However, we are not prepared to again fall into the traps that the Sandinists set for us in the past.

[Correspondent] Alfonso Robelo, you have said, or at least some reports have stated, that you are prepared, perhaps in the near future, to leave the leadership of the Nicaraguan Resistance, the contras?

[Robelo] Well, what is happening is that there is a policy on the part of the Arias government of Costa Rica in which it has asked the leaders of the resistance to leave the country and not live here if they are going to continue to support the armed struggle. I have asked President Arias for time (?to decide) for personal reasons, and he has granted me this. I am going to make a decision shortly. Among the possibilities is my having to leave the leadership of the Resistance, remaining within the Resistance, but engaged in exclusively political activities; that is, not abandoning the struggle, but, yes, withdrawing from the body that constitutes the highest authority in both the political and the military fields. [passage omitted]

[Correspondent] Some figures—persons of authority such as U.S. General Secord—believe that if Congress, which is now debating it, does not approve either now or at some later point the aid that President Reagan requested, there will in any event be private money, money from individuals, from America for you, for the Nicaraguan Resistance. What could be the future of the funds that you might have in the next few months?

[Robelo] Since our struggle is both political and military, and although it is true we are very much dependent on the U.S. funds, we would continue with the struggle on both fronts, political and military, by using any legal resources available to us. Obviously, you cannot tackle the power of the Soviet Union, the power of the Eastern superpower, if you do not have similar backing from the United States. However, our struggle will continue with the hope that if the vote is lost today, they may reconsider tomorrow. Of course, we will continue with our request, and more forcefully, especially to all those political governors, congressmen, etcetera who have prevented us from maintaining the same military pressure as we did before. We will request them to make Managua fulfill its obligations and open up the political space that they say they are going to open up, in spite of the fact that the military pressure on the Sandinists will diminish.

[Correspondent] Don't you think that the 50,000 dead in the war so far is enough to, perhaps, think more about an end to this conflict? Do you believe that the people support the Nicaraguan contras, Alfonso Robelo, or would they really want the war to end as soon as possible?

[Robelo] Well, my friend, obviously no one wants deaths. You Spaniards did not want the 1 million deaths in the civil war, but you had to pay that price. I would like to see not one more Nicaraguan killed in this cause, but if the only alternative is to subject oneself to a dictatorial regime, then every man has the right to rise up in arms against his oppressor. Consequently, I do want to see it ended, I do want this to happen, but we believe the small liberalization that the Sandinists have carried out is precisely due to this military pressure. If this military pressure were to disappear, I am almost certain that a greater liberalization would not be forthcoming, and that in a short period of time, we would see a Sandinist U-turn back to authoritarianism, which is the Marxist-Leninist vocation that they profess. [passage omitted]

Ruiz: Possible Contra Aid Equal to 'Real War'

PA031346 Managua Domestic Service in Spanish 1227 GMT 3 Feb 88

[Text] Managua—Commander Henry Ruiz, member of the FSLN National Directorate and Nicaraguan minister of foreign cooperation, has stated here that today's

approval by the U.S. Congress of more aid for the contras would be equivalent to tossing the political dialogue down the drain and going from an undeclared war to a real one.

Henry Ruiz stressed it is impossible to maintain an escalation of war against a small country and yet unilaterally maintain favorable international public opinion.

Panama

Blandon on National Situation, Noriega's Role

PA021745 Panama City Radio Continente in Spanish 1237 GMT 2 Feb 88

[Telephone interview with Jose I. Blandon, former consul in New York, by Radio Continente commentator Luis Estribi on 2 February; Blandon's exact location not given—live]

[Excerpts] [Blandon] During these terrible times the country is experiencing, I have decided to send you a message because, as a Panamanian and a politician, I have clearly understood the seriousness of the situation in Panama.

First, I wish to appeal to the members of the Panama Defense Forces [FDP] to analyze the present situation with a spirit of patriotism, because I believe— and I insist—that the only formula for the resolution of these problems would be a political proposal making it possible for all conflicting political groups to find a solution to the problems.

I believe I have made my best effort to implement a political proposal, known throughout the world as the Blandon plan. Nevertheless, I believe that despite upcoming events, which will have international repercussions, the FDP still has approximately 1 week to adopt a political initiative, that is, through a dialogue.

However, I believe that minority factions within the FDP have adopted what I call a hard line, a confrontational position with regard to the country and the Panamanian people. This tough position, which could be successful in the short term, will aggravate the Panamanian people and encourage them to squarely face the FDP—because, after all, using force or fighting are nothing more than taking politics to the battlefield. I believe this is a political problem that should be resolved through negotiation. Nevertheless, the effects of other serious international problems are aggravating the situation in the Republic of Panama. I am not sure if you can hear me.

[Estribi] Yes, Blandon; we hear you very clearly. Go ahead, please.

[Blandon] It is well known that an investigation has been carried out in the United States during the past few years of civilians and military men allegedly involved—according to the United States and according to the investigations—in crimes perpetrated in the United States. The investigations are about to end, have been concluded, and it is possible that within the next few days a group of those people will be indicted, based on U.S. Government evidence. This obviously poses a very serious political problem for the Republic of Panama, because, in addition to this legal reality, there is a financial side to this, which is of concern to Panama. I refer, specifically, to the financial problems, the liquidity problem, or the lack of funds which are affecting the government, and which will affect the private sector in the next few weeks. Therefore, this is not a problem affecting the government alone; it affects the Panamanian financial system.

In view of the fact that the aforementioned financial problems prevent any political actions, one must ask some questions; that is, if anyone in Panama is thinking that it is simply a matter of removing Delvalle's government through a coup d'etat, that person would be making a political error, because the Panamanian Government's ability to maneuver politically has been virtually reduced to nothing as a result of the country's financial situation. That is, the funds available for payrolls and the government's ability to use funds existing in the national banking system—that is, in the National Bank of Panama—to supply cash to the national private sector is being affected more and more each day. Therefore, the country would not have liquidity. Thus, this would prevent any political maneuvers. Furthermore, the world financial situation is not the same as when the government began. That is, funds are not available, and the countries possessing funds have very close ties with the United States. Thus, because of this conflict with the United States those U.S. allies are not ready to provide financial resources to the Panamanian Government.

The problem, therefore, is... [changes thought] This is my message, addressed especially to General Manuel Antonio Noriega, who is in one of the most complicated and complex situations a person could be in. When we decided to start the negotiations process, Noriega made it very clear that it was necessary to find a political solution. I still believe Gen Noriega personally would be willing to search for a political solution to the problem. He is aware that this solution implies his retirement from the FDP. Nevertheless, there are some in the FDP who see their future linked to Noriega's future, but they are a minority in the FDP. As a patriot, as a Panamanian, and as a military man, Gen Noriega should ask himself the following question: Is it worth it for him to subject Panama to a confrontation and a useless struggle, or is it better for him to save Panama the suffering we would have to endure? This is because the burden of all these events will not fall on those who can afford to buy food. The burden would rather fall on the hundreds and thousands of Panamanians who would have to endure a useless struggle.

If we try to lie to ourselves by saying this is a struggle against the United States, because the United States

wants to keep control of the Panama Canal, I believe this would be nonsensical demagoguery. I believe—from the conversations I have had with the opposition and with the government leaders—that no one has questioned the canal issue, either in Panama or in the United States. The plan I presented included as a basic premise that the canal problem was not the issue. In any case, the United States made a commitment to fulfill the Torrijos-Carter Treaties. Such an argument is false. If the Panamanian people face days of hunger and distress because of unemployment and resultant lack of money to buy food after the carnival festivities are over; if there is anxiety because parents have to somehow be able to afford to send children to school; if the predicted events come true and people have no more hope, they will find other means to face the situation.

Therefore, Gen Noriega, you have in your hands a formula I have already presented to you. It could be that one or a different one. However, the solution will be similar to the plan I proposed. You have in your hands the solution to the problem, and you do not have much time ahead. The past and the next few days are days of [words indistinct] days of tremendous importance for the country.

I also want to make an appeal to the Panamanian people, because the country now requires of the Panamanian people much understanding, common sense, and the most patriotic and courageous attitude. This is a struggle in which we cannot take any steps backward. We must get out of this situation, or the country will suffer an economic and financial collapse. Some groups, including the PRD [Democratic Revolutionary Party], linked to those I call the hard-liners who lead the confrontation, probably do not have any understanding of the Panamanian people's demands. The charges of betrayal and slander that normally occur in political life probably will be raised again. Nevertheless, I believe everyone has already taken preventive measures. Furthermore, I believe this is the most dramatic moment in the Panamanian situation. Estribi, I believe the next few hours and days will be of special importance for the country.

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[Estribi] Your message to the Panamanian people is very noble and has much political insight. Here at Continente we are very grateful for your courageous and determined words. I would like to ask if you were in any way forced or pressured to made a declaration before the Grand Jury [preceding two words in English], or did you volunteer?

[Blandon] Man's life is full of events that at one time or another need to be clarified. The political discussions began and were proceeding well—in other words, the discussions had the backing of Latin American and Panamanian leaders, the United States, and the majority of Panamanians, who know very well that a solution is needed now. One does not need to be an expert politician to realize that Panamanians want to shake off this feeling of anguish; this feeling of not knowing where we are headed; the fear of not knowing if one's son will be arrested, if one's relative will be detained, if one's husband will be arrested, if one's wife will be beaten. People want to leave this anguish behind. One does not need to be an expert. This plan, which had everyone's backing, was boycotted by a group that continues to maintain the idea that we must seek confrontation, and that this is a matter of treason. This group evidently fears the outcome they might face.

However, we managed to reach agreements with the United States and Panamanian politicians for a general amnesty. Some groups accused us of being too soft. This process brought about a confrontation between these groups and me. This brought about a sort of administrative break—to call it something—and this was followed by my being fired and having my immunity withdrawn. There is a letter from our ambassador to the United States, addressed to the State Department, that says Mr Jose Blandon has no diplomatic status. This is very unusual in diplomatic circles, because when you leave a diplomatic post, there is, by international agreement, a grace period during which one retains diplomatic privileges and hospitality. This letter, however, tacitly says no to this, which evidently made the Miami Grand Jury—which had pending summonses for Panamanians linked to the Defense Forces—issue what they call a mandatory summons.

There was no U.S. pressure; there was a summons, and I responded to the summons and told the truth as I know it very well. There was no pressure. Some people in Panama and some people in power think that the U.S. justice system is the same as that of Panama. The U.S. system is completely different from what we are used to seeing in Panama. I take this opportunity to tell you what is happening here in the United States:

Within 4 or 6 days there will be a trial summons. This summons not only includes Noriega as part of that group, but is going to affect seven or eight—probably nine—FDP officers. I tried to avoid this problem with the proposal I presented. I believe the only person who was aware of the seriousness of the problem was Gen Noriega himself.

[Estribi] Speaking of Gen Noriega, what can we as Panamanians deduce from the fact that Gen Noriega, 3 or 4 months ago, using what I consider good political sense, asked you as his adviser and confidant to find him a political way out of the problem that affects us. Then he phoned you, according to the information we have, and changed his mind, and everything collapsed. What do you think was the reason for this?

[Blandon] The reason is that the FDP received an incomplete version of the plan I prepared in the United States. I assume there are minority groups in the U.S. Administration and among civilians lobbying for Panama that are more interested in keeping things as they are now than they are in Panamanian democracy. They sent to Panama a document that showed parts of the plan out of context. This fell into the hands of the officers who would be affected. Let us call things by their true name: No political solution in Panama will be approved unless there is an agreement regarding the status of the FDP and the status of certain officers who have political problems in Panama. This is a political fact. This group then pressured Noriega to toughen his stand.

I must tell you I subsequently received more detailed information to the effect that one of the key witnesses this group used for the PRD meeting was a young man named Mario Panther [left-wing student leader] who came to my office in New York to talk with me. Panther has a habit of saying things he knows are not true. Panther first went to Washington, New York, and then Boston to meet with Lyndon LaRouche, who represents the most senseless U.S. right-wingers and is accused of many crimes in the United States. Mario Panther came to defend LaRouche. The only thing I discussed with Panther in my office was how a young man with a track record of progressive ideas could allow himself to be used to defend someone with fascist ideas. This is what I discussed with Panther, who came with someone named Wesley.

When they returned to Panama, they reported to Noriega and the General Staff things I had not discussed with them. I am very careful, and my many years of experience enable me to distinguish between a charlatan and a political leader. Panther was the key witness. An act was prepared, with half-truths and complete lies. This forced Noriega to make a decision that, in my opinion, was the worst possible one. This is a political project that is very complex and involves many conflicting interests—much patience and a great deal of political savvy was needed to put it together. We spent more than 400 hours in discussions with Panamanian, Latin American, European, and U.S. political leaders, and we reached a consensus. This established a political way out for Panama, with constitutional order, and a political way out for the FDP that would not cause their collapse. No one is interested in the FDP's collapse. My concern is that there is a small group who wish to link their own future to the future of the FDP. These are totally different things. This is when positions became extreme.

However, I have received a message from Gen Noriega, and I believe his political skill allows him to clearly realize he needs a political way out. This confrontation—trying to cover up for him with a confrontation between

Panama and the United States over the Panama Canal—makes no political sense, and Noriega knows it. This demagoguery makes no sense. Panamanians now have a more pressing problem. When one is a politician, one develops a feeling for these things. Panamanian problems are down to a more basic level of needs. What are these needs? The need to bring food home and the need for schools. When one has these basic needs, other struggles become secondary. If you have a full stomach, you are able to think of other things. That is why societies and revolutions come about. That is why Torrijos was always very concerned about people having money for food. When you solve these material problems, that is when you start thinking of higher-level problems—sovereignty and so on. There is a mixture of man's basic needs and his needs as a human being. That is why oppressive systems tend to eliminate this.

I think Noriega clearly realized the need to find such a way out, and he still believes that. However, the other officers tricked him. This puts Panama in the most untenable position.

[Estribi] That is what I wanted to discuss with you. You are a true Torrijist. You became Torrijos' friend, you were Noriega's right-hand man, and you proposed to negotiate an honorable exit for him. The Medellin cartel issue suddenly emerged, however, becoming a disgrace and embarrassment for our country. Could your confrontation with Noriega have been avoided, thus preventing the country from falling into this sort of sewer that has embarrassed all Panamanians?

[Blandon] I repeat that Noriega is the FDP officer with the most political experience at this time. Second, the officers with political experience are not in the circles closest to Noriega. There are officers with political experience, but they are not members of the circles closest to Gen Noriega at this time. The circles closest to Noriega are comprised of officers who are highly involved in this problem. They feel their future depends on keeping their positions, which is an issue I resolved.

I do not propose that these officers be dismissed but that they be sent abroad to create a political opening in which a new general staff would be created, one that would allow a civilian plan to be implemented. There is another problem President Delvalle himself is facing, and I want to publicly send him a message: Knowing, as a businessman, that the financial situation will lead to the collapse of the production network that he himself supports and has helped create, what sense is there in governing, that is, in governing over a country's ashes? The objective of this plan... [changes thought] Estribi, I must tell you, and I admit this as a government leader, that I have at no time talked here as a PRD member or talked with any political leader to cross over to any other opposition group. I have not talked as a PRD member. I have not talked on behalf of the PRD because I am not authorized to do so. Is that clear? I conducted this negotiation with Gen Noriega's authority to find a specific solution for Noriega. I have not talked on behalf of the PRD.

All of the opposition political leaders that I have talked to have placed the interests of the country first. You are well aware of the wounds every Panamanian bears right now. They placed the country above everything else and accepted the basic points of the plan in principle.

However, this group has other interests, which are not national interests. I would ask you, and you can ask yourself, what the political plan of this group is, of the military group which is promoting a hard line. They do not have any political plan; their only objective is to retain power for the sake of power.

During the last 3 years, and particularly since Delvalle assumed power, an effort has been made to bring democracy back to the country. However, everything has been set back. As a result, Delvalle himself as president, as a man, and as a businessman is faced with a most difficult situation. What can the Panamanian president do when members of his government team are to be tried for crimes that have not been committed in Panama, for actions in violation of U.S. laws? [Words indistinct] this will not be a trial for acts committed in Panama. The matter under discussion here does not concern actions in Panama. What is under discussion here is activities aimed at and in violation of U.S. laws. That is what this is about. Imagine the international impact of this.

I again suggest to the general... [changes thought] If I were in Noriega's shoes right now, I would appoint a high-level commission to open a negotiation and to reach an agreement with the United States that would include looking for a solution to Panama's problem. You can see that the political plan suggests elections, the retirement of Gen Noriega and a group of officers, a reinforcement of the FDP and of the electoral process, and world economic support for Panama's plan. You know well that if we reached a national agreement, the effort we Panamanians would have to make to have a more developed country would be relatively small when compared to the rest of Latin America.

However, we are on the verge of bankrupting the country, because this is a service-oriented country whose economy is heavily dependent on foreign relations. Torrijos enhanced Panama's international image to a maximum. The current situation has brought Panama's image down to an extremely low level. There has been a complete turn-around. I would suggest to the PRD that instead of condemning me for things they know perfectly well I am right about, and instead of looking for a scapegoat, when it knows perfectly well I will continue struggling... [changes thought] I am not cowed by the PRD leadership's plans to charge me with treason,

because it has demonstrated that it is extremely inefficient and lacks moral values, and its values have been turned upside down; what it regards as treason is regarded as patriotism by others.

A political leader cannot say that Panamanians do not want a political solution in the country, or that Blandon is a traitor, because the Panamanian people like what I did. They like and support the plan I submitted.

[Estribi] Blandon, it has been published here that, with Noriega's knowledge, high-ranking FDP officials received $5 million from the drug czars, and that Noriega ordered the release of 23 drug traffickers after Fidel Castro mediated in the negotiations between the Medellin cartel and Noriega. How did you learn about this?

[Blandon] I am not going to discuss that. I can tell you, however, that I was a witness, for instance, in other situations. I do not want to discuss matters like these over the telephone. In that case, I was in Havana. This is what I mean. When I say something, I know what I am saying.

[Estribi] I want to ask you something else: Why do you fear for your life? Why are you in hiding? Why are you under the protection of the U.S. service marshal? [last four words in English]

[Blandon] First, I am not under anyone's protection, and I am not in hiding. I am in the United States because, according to U.S. law, I cannot leave until this problem is resolved. I am not hiding from anyone, and I intend to return to Panama as soon as possible.

I am certain there are some sectors... [changes thought] We are not talking about a political problem. If I had a political problem with anyone, I would solve it politically. The problem is that those who have nonpolitical problems are those involved in crimes against the youth of the world—such as the drug problem—and they do not resort to any other means except the physical elimination of people—murder. You know well this is not a problem that exists only in the movies; it is a real problem. If one thing is clear in the United States, it is my testimony, because—to begin with—I am not a criminal. [passage omitted]

[Estribi] Blandon, do you think it would be advisable to immediately make known the names of those eight or nine Panamanian military men who are preventing a peaceful and negotiated solution to the crisis plaguing us?

[Blandon] That is an internal FDP problem; and if they continue with this, I will talk. However, I still think Noriega should meet with them and speak clearly. He should explain to them that their own immediate future is bleak and that the wealth they have illegally accumulated will be to no avail if they continue with this hard line. It is easy to order the troops to confront the people. Have you noticed what is happening in Gaza, in Palestine? The more the Israelis mercilessly beat the Palestinians, the more difficult their situation becomes. [passage omitted] The morale of troops sinks when they have to strike their own brothers.

In other words, there are no ethics when the cause for such beatings is defending people who are becoming rich illegally. One has to analyze all of these things when one tries to handle a situation. You have to think that the soldiers will be afraid to kill someone who may be their own brother; that their motivation in this case will not be political; that the motive will be to protect things in which they have no interest whatsoever, because they are plagued by the same anxiety, the same problems, and the same limitations facing the Panamanian people. [passage omitted]

[Estribi] Finally, Blandon, do you have any message for the FDP rank and file and for the troops who are not corrupted and have not betrayed Torrijism?

[Blandon] I think they know what path they must take. They were trained by Torrijos to assume leadership, and the plan I submitted was intended for leadership to be assumed by this group of officers who are trained, who have a clear political view, and who are military professionals. No one thought an outsider would assume it. The officers following in rank must assume the leadership. They have even become victims of this group's abuses. It is a privileged group, and they know who they are.

They must clearly realize that their association with this group and the attacks against the people will simply estrange them from the people. I remember this strategy was used in El Salvador: Everyone has to be soiled so that everyone will feel the same way. However, the majority, which has not been linked to any of this, must not be soiled. The military institution Torrijos created—of which I am a staunch defender...[changes thought] some of our civilians are afraid of it. I am an FDP advocate. However, I do not defend those who are committing crimes. This military institution was created by Torrijos, and it must adopt some decisions in his name. Thank you, Estribi. [Estribi] Blandon, we are grateful for your civic courage and political determination to face a situation such as this so courageously. I am certain that anyone would feel uncomfortable in a situation such as this. Thank you very much.

Names Noriega Accomplices

PA031728 Panama City LA PRENSA in Spanish 3 Feb 88 p 1

[By Migdalia Fuentes de Pineda]

[Excerpt] Jose I. Blandon, former Panamanian consul to New York, high-level leader of the Democratic Revolutionary Party and, until recently, adviser to the FDP, yesterday told LA PRENSA the names of a group of FDP officers allegedly implicated in international drug trafficking.

Blandon, in addition to naming General Manuel Antonio Noriega, FDP commander in chief, listed Colonel Marcos A. Justines, current chief of the General Staff; Major Nivaldo Madrinan, director of the National Department of Investigations; Luis Cordoba, former chief of the 5th Military Region (Chiriqui); Alberto Purcell, executive secretary for the General Staff; Lorenzo Purcell, chief of the Panamanian Air Force; Major Luis del Cid; Major Hilario Trujillo; Cleto Hernandez; Luis Quiel; and Jaime Benitez.

According to Blandon, U.S. investigations have revealed that there are two sections involved in drug trafficking: a civilian group and a military group.

The civilian group has included Cesar Rodriguez, who was murdered in Colombia in 1986; Floyd Carlton, who is currently under arrest in Miami; [Enrique "Quique"] Pretelt; Carlos Wittgreen; George (Porgy) Novey; and a man called [Jorge] Krupnick, whom Blandon claims not to know.

According to Blandon, these people are linked to illegal activities.

Also according to him, there is another group, which he termed the "open business" group. This consisted of Ildefonso Riande, Carlos Duque, Ramon Sieiro, Aoki, Harari, and Joaquin Meza. [passage omitted]

Cabinet, UNADE Give Support to Noriega

PA040330 Panama City Domestic Service in Spanish 0215 GMT 4 Feb 88

[Report by Jairo Posada from the Palace of the Herons in Panama City—live]

[Text] A meeting has just concluded at the Palace of the Herons [presidential palace] in which the members of the Cabinet of President Eric Arturo Delvalle and the presidents of the parties comprising the National Democratic Unity [UNADE] coalition have issued the following declaration:

The members of the cabinet, the representatives of the political parties within UNADE, the legislators, and the other guests met to discuss the delicate problems affecting Panama. The problems are caused by the destabilizing actions of those who are seeking the nonfulfillment of the Torrijos-Carter Treaties and by political agents within the nation. After adopting important measures to correct public spending and other economic and administrative measures, we decided:

1. To urge the political forces supporting the national government to remain alert in the face of the disruptive actions by the bad Panamanians who are trying to alter legal and constitutional order in an attempt to forcefully bring about a political change that should actually take place as a result of the 1989 elections.

2. To condemn once again foreign intervention in the domestic affairs of the Republic of Panama.

3. To condemn the use of slander, intimidation, and blackmail at the international level in an effort to mar the prestige of the Panamanian Government in an effort to force Panama to yield and to bring about negotiations that will prolong foreign presence on our soil.

4. To offer firm and unconditional support to His Excellency Eric Arturo Delvalle, president of the Republic; General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces; officials from the Attorney General's Office; and other authorities entrusted with safeguarding the law.

5. To reiterate the purpose of maintaining public order and a legal constitutional order by making use of all resources as established by national legislation.

Panama, 3 February 1988

Signed by: Minister of Government and Justice Rodolfo Chiari De Leon; Foreign Minister Jorge Abadia Arias; Finance and Treasury Minister Hector Alexander; Education Minister Manuel Solis Palma; Public Works Minister Rogelio Dumanoir; Agricultural Development Minister Hirisnel Sucre; Commerce and Industries Minister Jose Bernardo Cardenas; Labor and Social Welfare Minister Jorge Federico Lee; Public Health Minister Francisco Sanchez Cardenas; Housing Minister Ricardo Bermudez; Planning and Economic Policy Minister Ricaurte Vasquez; Minister of the Presidency Nander Pitti Velasquez.

Also signing on behalf of the political parties within UNADE: Romulo Escobar Bethancourt, for the Democratic Revolutionary Party; Jose Bernardo Cardenas, for the Republican Party; Rodolfo Chiari de Leon, for the Liberal Party; Luis Gaspar Suarez Sierra, for the Panamanist Party; Juan Medrano, for the Labor Party; Honorable Legislators Rafael Clemente Abrego, Argenida de Barrios, Ovidio Diaz, Moises Melamed, Rigoberto Paredes, Raul Delvalle, Harmodio Icaza, Luis Navas Pajaro, Virgilio Saenz, Jose Young, and others guests.

Issue Resolution of Support

PA040340 Panama City Domestic Service in Spanish 0225 GMT 4 Feb 88

[Report by Jairo Posada from Palace of the Herons in Panama City—live]

[Text] The political parties of UNADE have issued the following resolution:

Whereas:

1. The attacks against His Excellency Eric Arturo Delvalle, his government, and democratic institutions have increased;

2. The attacks against General Manuel Antonio Noriega, and officers and the ranks of the Defense Forces have also increased;

3. Our country is still the victim of a large-scale attack on its economy and constitutional regime, despite the decision of the government to pardon crimes and reopen the communication media;

4. These attacks are part of a strategy aimed at preventing the return of the canal in 2000, and justifying the permanence of military bases and the seizure of power through a coup d'etat under civic disguise.

The political parties of UNADE have resolved to:

1. Reassert to His Excellency President Eric Arturo Delvalle our decision to support him and his government;

2. Reassert to Gen Manuel Antonio Noriega and the officers and ranks of the Defense Forces our respect for, support for, and confidence in all of them and in the professionalism of the Armed Forces.

The declaration includes other points and is signed by Romulo Escobar Bethancourt, Rodolfo Chiari de Leon, Luis Gaspar Suarez Sierra, Jose Bernardo Cardenas, and Juan Medrano.

CCN Leader on 'Impossible' National Economy

PA032355 Panama City LA PRENSA in Spanish 3 Feb 88 p 22-A

[Article by Manuel Alvarez Cedeno]

[Text] In the opinion of Roberto Brenes, a leader of the National Civic Crusade [CCN], "the management of the nation's financial situation is impossible [insostenible]."

Brenes made these statements during a news conference yesterday with journalists from Channel 13, Channel 4, EL SIGLO, LA PRENSA, and other media.

The CCN leader said that not only is the political situation serious, it has caused a deterioration in the economic sphere, making management of the nation's finances impossible.

During the news conference, Brenes, who has a master's degree in administration and economics, made certain comments on a document he says was presented by the Panamanian Government to its creditor banks (Steering Committee) on 26 January.

He said the government's economic prospects for the next few months are quite tenuous, according to "information that the government itself, through the Planning Ministry, has provided to bankers in New York."

This information, he said, was given to seek the additional financing necessary to cover interest for the month of March and to obtain funds the government needs for 1988.

Analyzing the document, Brenes said the report the government itself presented indicates that the state will have a budget deficit of $121 million, which, added to other needed funds, means that the government will need $100 million in new financing.

However, Brenes said the CCN and respected Panamanian economists "seriously question the validity of these figures, because we believe the problem is more acute" than indicated.

Brenes said that from a budget viewpoint, the $121-million deficit the government admits to will require cuts of over $50 million—in the wages of government employees, for example—and an increase in fiscal income, which would supposedly produce another $50 million.

However, he said that in view of the country's political situation "and the government's questionable competence in dealing with the economic problem," it is very difficult to believe the administration could carry out a reduction of personnel without any cost, because the figures say otherwise.

Moreover, he added that a $50-million increase in taxes implies a 25-percent increase in corporate tax revenue, which is highly unlikely under the present political circumstances.

The CCN leader said that in the document the Panamanian Government states its net financing needs as $100 million—$99.5 million to be exact.

This is based on the premise, Brenes said, that Panama is going to receive $25 million from the World Bank this year in addition to $55 million in loans from the IDB and a $19-million loan from AID.

However, Brenes emphasized that this is not feasible, because, in AID's case, the organization was expelled from Panama in late 1987; therefore, "I do not know how the planning minister can believe AID is going to disburse any funds to the Panamanian Government."

Brenes added that the World Bank and IDB loans will be blocked by a U.S. Government veto in line with legislation approved in 1987 calling for the suspension of military and economic aid to Panama.

Brenes said the report also refers to $80 million from the IMF "that the Panamanian Government has not even requested yet and that, in the best of cases, would not be disbursed until the middle of the year."

Brenes added that "because next year is theoretically an election year in this country, the IMF might not want to make disbursements. Therefore, under the best of circumstances, we would imagine that if the IMF provides any money, it would be much less than $80 million."

From this perspective, the government's net financing needs would not be $100 million but "closer to $250 million, a very difficult sum to obtain," Brenes said.

Paper on U.S. Congress' 'Publicity Stunts'

PA031850 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Feb 88 pp 1, 4

[Editorial: "Premeditated, Spectacular Nature of the Noriega Case"]

[Text] For the past few days the people have been saturated with news of the serious criminal charges being heard by the U.S. judicial and legislative branches against General Manuel Antonio Noriega, commander in chief of the Panamana Defense Forces. The information about these hearings was first brought to the Panamanian people's attention through the U.S. media and has been repeated by some of our papers.

The amount of information and the way it is handled call for some thought since they contrast with the impregnable shield surrounding the U.S. Justice Department's investigations into drug trafficking and money laundering. Panama issued Law 23 on 31 December 1986. This law has become the best instrument for international cooperation against drug trafficking and money laundering. It is necessary to point out that since this law was implemented the Justice Department has carried out, with the help of the Panamanian Attorney General's Office, many investigations that have led to the arrest of criminals and the seizure of drugs and money.

Two things become obvious, and it is necessary to point them out: First, in the past the Justice Department presented Panamanian investigators with evidence that a crime has been committed, with the identity of those responsible, and with the Federal Grand Jury indictment; second, when these three things were done, Justice Department and Panamanian officials would coordinate with each other. On those occasions the facts were made public in very concise communiques or through restrained statements by the U.S. or Panamanian attorneys general.

In the handling of the reports of the public charges being made against the Panamanian officer, two other things become obvious: First, the charges are being made by convicted drug traffickers who are testifying before a Senate subcommittee holding public hearings, thus open to the U.S. press, with no evidence to substantiate the charges; second, this is evidently being done without an official statement from the Justice Department. We have already noted that the Justice Department does not make charges without accompanying them with the necessary evidence.

The way the news is being handled in the already spectacular Noriega case lacks the seriousness and restraint previously shown by the Justice Department. It is now beginning to resemble the publicity stunts the two houses of Congress are accustomed to pulling off. These stunts, after their initial impact is felt, slowly disappear along the winding path of ambivalent policy. An example of this would be the Oliver North case. This case makes us stop and think about Congress' role in matters that are strictly the courts' business and the about show-like nature of Congress' work. These actions are totally removed from the serious and restrained procedures that have characterized the Justice Department's investigations, with the full cooperation of Panamanian officials, into incidents that have occurred in our country following the implementation of Law 23.

The Noriega case is very interesting because only when the Justice Department presents our authorities with the necessary evidence that a crime was committed and with the identity of those responsible—along with a grand jury indictment—will an investigation be carried out. This investigation will determine whether a crime has been committed or whether this has only been a show. Only then will we be able to ask whether money was laundered in our country, what banks violated the National Banking Association's code of conduct and allegedly accepted millions of dollars in cash deposits, the names of the bank officials who profited from this, and the names of the lawyers, public accountants, and insurance representatives who handled the bank accounts and are guilty of activities condemned by law and society.

These are questions that must be answered by the Justice Department and the Panamanian authorities when the time comes, because it is obvious our military personnel are not bankers, bank officials, corporate lawyers, bank owners, economists, or auditors. All those steps have to be taken to launder millions of dollars. As long as Congress continues its circus act of passing judgment on a Panamanian military man, Latin America will pass judgment on the policy of the country that today is pretending to forget the legal procedures the world has always abided by.

Argentina

Comment on UK Fishing Licenses for Malvinas

Deputy Governor Cited

PY021703 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1545 GMT 2 Feb 88

[Text] La Plata, 2 Feb (NA)—Buenos Aires Province Deputy Governor Luis Macaya [Justicialist Party] has stated that the Argentine Government "can in no way yield ground regarding the sovereign rights over the Malvinas." He added that "the granting of fishing rights by the English Government is one more aggression that cannot be overlooked."

Macaya stressed that the granting of more than 60 fishing licences "in what is erroneously called the exclusion zone" by the British authorities "is an aggression against our sovereign rights over the Malvinas, but it seems that this topic does not interest the national government very much."

Regarding this topic, he emphasized that "President Alfonsin should have at least asked for an explanation from the Spanish authorities regarding the fact that 24 enterprises of that sister country will fish on a commercial basis in the Malvinas with erroneously obtained licences granted by the English."

Martinez: Issue Under Study

PY031658 Buenos Aires CLARIN in Spanish 2 Feb 88 p 11

[Text] Argentine Vice President and current Acting President Victor Martinez has said that the government "is analyzing with a great deal of prudence" the renewal of British fishing licenses that allow third countries to fish in the jurisdictional waters of the Malvinas Islands. He did not, however, specify whether or not the Argentine Foreign Ministry is planning to issue a communique on the subject.

Upon being questioned yesterday at the end of a ceremony during which Santiago Llaver was installed as the new president of the National Mortgage Bank, Martinez said: "The Argentine Foreign Ministry is studying the issue with a great deal of prudence and our position will be in keeping with the overall claims that Argentina has been making and will continue to make at all international forums."

Martinez explained that this situation does not complicate the negotiations underway with the United Kingdom; it merely epitomizes "the sum of Argentina's claims" regarding the sovereignty of the southern archipelago.

Asked about the attitude of certain countries that, while giving support to Argentina's claims, have requested fishing licenses from Great Britain, Martinez said that one must "realize the difference between the support of the international community (for Argentina) and the bilateral relations" between the countries in question and the United Kingdom.

Ministry Issues Statement

PY031951 Buenos Aires TELAM in Spanish 1806 GMT 3 Feb 88

[Text] Buenos Aires, 3 Feb (TELAM)—The Argentine Foreign Ministry has stated that the fishing license granted by Great Britain for fishing in the waters of the Malvinas Islands is an action that increases tension in the area and conspires against the initiatives to achieve tranquillity in the zone and prevent the depredation of resources.

The Foreign Ministry statement is a reaction to unofficial reports that the British Government has issued fishing licenses to vessels of different nationalities to operate in the waters of the Malvinas Islands.

The statement says the British attitude contradicts the position of the Argentine Government, which is open to frank dialogue without conditions, and that the British Government continues to exert its will over the islands arbitrarily.

The statement also recalls that the British Government in October 1986 illegally arrogated the right to regulate fishing in the Malvinas zone through the establishment of a fishing conservation zone.

The statement goes on to say that measure was taken unilaterally by the British Government when its effort, beginning in 1985, to install a multilateral system to regulate fishing around the Malvinas Islands failed.

The Foreign Ministry statement concludes by saying that the Argentine Government, which strongly opposed that effort to internationalize the waters around the Malvinas, also rejected before the international community the establishment of a conservation zone by the British Government. The statement points out that the continuation of that situation, and the repeated British unilateral actions, increase tension in the area and conspire against the initiatives to achieve tranquillity in the zone and prevent the depredation of resources.

Official Discloses Debt Negotiation Problems

PY032136 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2009 GMT 3 Feb 88

[Text] Buenos Aires, 3 Feb (NA)—A high government source today disclosed that Argentina "does not have a single dollar" to pay the interest on the foreign debt, that "the government will not make any new adjustment" as demanded by the IMF, and that if the IMF "closes its doors to the country, they will be the ones that pushed us to stop paying; it will not have been our decision."

The source confirmed the problems being encountered by the Argentine negotiating mission in Washington headed by Central Bank President Jose Luis Machinea, who is trying to unblock the "stand-by" loan of about $220 million signed in the middle of last year.

Official sources told NOTICIAS ARGENTINAS they do not discard the possibility of Economy Minister Juan Sourrouille traveling to the United States in the next few days to join the negotiations headed by Machinea. However, they pointed out that Sourrouille "will only go if necessary."

A high source at the Economy Ministry said Sourrouille "does not plan to travel for the time being." The source indicated the negotiations being conducted by Machinea in Washington "are very difficult."

The relations between the IMF and the Argentine Government deteriorated in the last few weeks when an IMF mission "suggested" a strong devaluation of the austral to improve the external sector and an increase of utility rates to reduce the deficit of the public sector.

The source said "The government will not make any new adjustments because the necessary adjustments were already made. If the IMF closes its doors to the country they will be the ones that pushed us to stop paying; it will not have been our decision."

A high government source told this news agency that Argentina "does not have a single dollar to pay interest." He explained that this is "because the resources to be transferred come from the surplus of the trade balance, and last year we only had a surplus of $800 million."

This year the Argentine Government has to pay the creditor banks about $4.7 billion. Most of this comes from new loans, without which the government would not be in a position to fulfill its commitments to the creditors.

The disbursement of the $220 million by the IMF is necessary to allow the banks to disburse about $700 million, part of a credit of about $2 billion granted last year.

The highly placed source, who insisted that the situation with the IMF "is very difficult," did not rule out intervention by the U.S. Government to unblock the situation.

Three Clandestine Radio Stations Closed

PY300203 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 29 Jan 88

[Text] The Communications Secretariat today closed down three clandestine radio stations, also known as free radios [radios libres], for broadcasting without the necessary authorizations.

It was officially disclosed that the measure affects LC-5 Canuelas FM radio station, Lomense FM radio station of Lomas de Zamora, and the Melodia FM radio station of Boulogne, San Isidro neighborhood.

The communique, issued by the Radio Broadcasting Committee, points out that the radio broadcasting law clearly states that any partially or fuly established station that has not been legally authorized to operate is considered clandestine.

Brazil

Libya Said Financing Missile Construction

PY032301 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 3 Feb 88

[Text] The Orbita company, which is a subsidiary of ENGESA [Specialized Engineers, Inc] confirmed today that Libya will finance the construction of Brazilian missiles.

Libya will provide financing of $400 million per year over a 6-year period for the construction of radar-guided MB/EE missiles.

Finance Ministry Issues Note on Foreign Debt

PY030101 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Feb 88 p A-25

["Text" of Finance Ministry note on foreign debt negotiations, issued in Brasilia on 1 February]

[Text] Note on Foreign Debt Negotiations [subhead]

1. Brazil wishes to reach quick and satisfactory results on understandings with foreign creditors, in order to remove an important obstacle to the country's economic stabilization and growth. The time has come to resume normal relations with the international financial community.

2. Brazil resumed undestandings [entendimentos] with the creditor banks on 25 September 1987. Progress has been made in subsequent months in defining the basic structure of a medium-term agreement. But at the pace the negotiations are developing, the conclusion of an agreement might be indefinitely delayed, because of the need time and again to seek provisional solutions for interest payments, or because of the climate of mistrust that lingers among our creditors.

3. This delay is not in Brazil's interest. First, this delay has a high financial cost. As long as the negotiations continue, Brazil does not benefit from the interest rate reduction that should result from a new agreement. At the same time, Brazilian banks operating abroad are paying a higher interest rate on some credit lines. Second, the abnormal situation in which we find ourselves deprives the country of a broader inflow of investments and additional resources from international financial

organizations. Third, the export credit agencies of industrialized countries are closed to operations with Brazil. Finally, the slow negotiations cause an inevitable obstacle to the reestablishment of smooth relations with our creditors, without necessarily leading to obtaining better terms and conditions in the agreements that should be reached.

4. Relations with the international financial community cannot return to normal all at once. They will do so gradually, and their normalization can be reached in four stages:

a. Agreement with creditor banks. Instead of proceeding with unending discussions to make provisional arrangements, Brazil has decided to propose to creditor banks a joint effort to conclude a protocol on a medium-term agreement as soon as possible. Brazil counts on the possibility that negotiations can advance rapidly. Reaching a quick agreement does not mean signing an agreement at any cost. The basic elements in the 25 September proposal continue to be part of the negotiations agenda. Once the protocol on the medium-term agreement is concluded, Brazil will be in a position to count on the amount of the creditor banks' contribution to external financing, and on an indication of the resources that can be anticipated after the protocol is concluded. In other words, the country will be able to count on the resources necessary for the regular payment of interest to the creditor banks. The moratorium can be lifted.

b. Negotiations with financial organizations. Brazil had problems with the IMF in 1983 and 1984. Since then, although the nature of the IMF has not changed, this institution has come to realize, first, that the foreign debt crisis cannot be solved in 1 or 2 years, and second, that the adjustment model initially adopted led many times to recession and did not offer an adequate solution to the problem. Since 1985 the IMF has come to explicitly recognize the need to reconcile adjustment with growth. Last year, the IMF began to discuss formulas for dealing with the problem in a more flexible manner. Brazil has to seek the financial assistance that institution offers and has to negotiate, with a cool head, realistic programs that can support the country's economic adjustment.

The process of rapprochement with the IMF should begin in mid-February, when Brazilian officials and IMF experts will get together to discuss Brazil's economic policies. This discussion might pave the way for an agreement to be reached later with the institution.

Last year Brazil paid the World Bank nearly $600 million more than it received from this bank. Thus, for the first time, Brazil registered a negative balance with the World Bank. This situation needs to be corrected. In the context of resuming normal relations, Brazil needs rapid disbursements to expand projects and programs through a more active participation of the World Bank in the country's development. Brazil also expects the IDB to be in a position to substantially increase its loans to our country in the near future.

c. Regarding an agreement with the Paris Club, the negotiations with government creditors will be directed not only at the rescheduling of a significant portion of obligations with those countries, but especially at the resumption of export credits by those agencies for operations with Brazil. Those agencies can once again make an important contribution to our country's development by financing Brazilian imports of capital goods.

d. Finally, the normalization process wil be completed by studying and eventually adopting new financial instruments to reduce the total debt or to raise additional resources for the country's development. In this context should be noted the possibility of receiving Japanese resources to support Brazil's development projects.

5. This new start must be marked by a gesture of determination and confidence. With this spirit, Brazil will tomorrow repay $350 million to the creditor banks. This sum represents a portion of the interest payments owed for January. Brazil will be able to make further payments as progress is made in the negotiations. With the support of the creditor banks, Brazil will be able to keep its payments current for the negotiation period, until an agreement is reached.

6. In February 1987, under pressure by a deteriorated trade balance and a consequent drop in its reserves, Brazil was forced to cease payment of a portion of the interest owed to the private banks. It is time to return to normal. To return to normal means to restore the good relations Brazil has always had with its creditors. It also means counting on the support of these creditors to finance the requirements of the balance of payments. It means reducing the cost of this debt and, above everything, obtaining a greater volume of resources to finance Brazilian development.

7. The government hopes that society will understand the importance of these measures for the stability of the economy and the development of the country. Brazil hopes its creditors will react positively and constructively to the positive and constructive spirit with which the country is beginning this new phase of foreign negotiations.

Brasilia, 1 February 1988

Further on Interest Payment

PY022222 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 2 Feb 88

[Text] Brazil today deposited $350 million in the City Bank of New York. This sum represents nearly 40 percent of the foreign debt interest for January, and it will be distributed by that bank to the other creditor banks.

This is the fifth payment Brazil has made in the past 5 weeks. During this period, the creditors have received $1.9 billion. Of this total, $900 million was taken from Brazil's foreign reserves.

Army General Arrested for Criticizing Force

PY031814 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Feb 88 p 6

[Excerpts] General Francisco Batista Torres de Melo has been arrested for criticizing the Army through the press. This was the explanation issued by the Army Ministry to justify the general's punishment. Torres was arrested in Fortaleza on 30 January. However, the Army did not quote the regulations that prompted the punishment.

Gen Torres de Melo criticized the Army by supporting his brother, Colonel Arthur Torres de Melo, who had, in turn, supported Captain Luiz Fernando Walter de Almeida, who occupied the city hall of Apucarana, Parana State, in October 1987. Gen Torres de Melo issued a manifesto to the nation denouncing the "rotten corruption at the foundations of the government." [passage omitted]

Less than 48 hours after Gen Torres de Melo was arrested, Major Francisco de Assis Fernandes Bastos, a reservist, and his wife, Marisa do Amaral Bastos, issued a note of solidarity with the general. According to this note, both the husband and wife "extend their unlimited support" to Arthur and Francisco Torres de Melo "in the face of the anarchy that plagues the country." Bastos is the current president of the Fortaleza Military Club. Yesterday he went to see the commander of the 10th Military Region to confirm his statement. [passage omitted]

Losses Resulting From Railway Strike Reported

PY022353 Brasilia Domestic Service in Portuguese 2100 GMT 2 Feb 88

[Excerpt] While the railway workers continue to demand the implementation of a new salary scale, the losses continue to add up on the 2d day of their strike.

The losses caused by the strike being held by this sector amount to approximately $2 million per day, and the transport of oil and vegetable products is most affected. [passage omitted]

Chile

Envoy Criticizes U.S. at GATT Meeting

PY022346 Santiago Domestic Service in Spanish 2200 GMT 2 Feb 88

[Text] During a GATT meeting, Chile accused the United States of violating international trade regulations when it removed Chile from its Generalized System of Preferences. Mario Barros, Chilean envoy to GATT, said the U.S. measure is illegal according to GATT regulations that seek to promote trade in the Third World.

He also accused the United States of violating its tradition of granting equal treatment to developing countries. The delegates of Nicaragua, Argentina, Brazil, and India supported the Chilean position.

Mario Barros asked GATT members to establish an investigative committee to issue a judgment in case of a conflict if bilateral negotiations fail. If the GATT council accepts the Chilean proposal, the United States and Chile will have to obey its judgment and resolutions, and accept its sanctions.

SELA Official on Sanction

PY032245 Santiago Domestic Service in Spanish 1600 GMT 3 Feb 88

[Report from the Foreign Ministry by Antonio Cofre—recorded]

[Text] SELA Director Imelda Cisneros today said that the U.S. decision to exclude Chile from its general system of preferences violates the decisions of the SELA Permanent Council. She made this statement after meeting with Foreign Minister Ricardo Garcia at the Red Hall of the Foreign Ministry building.

[Begin Cisneros recording] Of course, I believe this is a violation, and we have reported it to the rest of the Latin American countries. They must be informed of the situation and keep it in mind and on their agendas. This is because it is worthwhile to follow its development. [end recording]

Imelda Cisneros said SELA had received the Chilean [word indistinct] concerning the decision of the U.S. Government. SELA has told all Latin American countries the reasons that led Chile to reject the U.S. sanction, which it considers inapplicable.

When asked if SELA could apply sanctions against the United States for its decision, Cisneros replied that it could not. However, she added, mechanisms do exist to reach a regional understanding to support a determined country should it face a specific problem, as in the case of Chile.

Cisneros also reported she had met with Minister Garcia to discuss the upcoming meeting of foreign ministers within the framework of SELA. They will discuss important Latin American issues. She commented that the date and place of the meeting have not yet been established. However, she admitted that it could be held in Caracas, with the participation of high-ranking delegations from Latin American foreign ministries.

She noted that this meeting will be held within the framework of a mechanism known as dialogue among foreign ministers. This will be the first time this dialogue has been held, and it will include all Latin American foreign ministers. The meeting will supposedly last 1 day and will be held in Venezuela.

When asked about the economic performance of Chile, Cisneros praised Chile's efforts and said that they are followed with interest in the rest of Latin America.

Extradition Treaty With Spain Reconsidered

PY030214 Santiago Domestic Service in Spanish 2200 GMT 2 Feb 88

[Excerpt] Foreign Ministry spokesman Carlos Ducci has stated that the Chilean Government is considering renouncing, that is, canceling the extradition treaty with Spain. This decision was prompted by the Spanish Government's refusal to extradite terrorist Cesar Bunster, who participated in the attack against President Augusto Pinochet in September 1986.

Ducci disclosed this information following the meeting that Chilean Foreign Minister Ricardo Garcia held with Spanish Ambassador Felix Fernandez-Shaw.

Spain has not yet explained its reasons for not extraditing Bunster as requested by the Chilean Government in July 1987.

Ducci concluded by stating that the 500th anniversary of the discovery of Latin America was the reason for Minister Garcia's meeting with the Spanish ambassador. [passage omitted]

Man Detained in Bomb Death of Carabinero

PY301820 Madrid EFE in Spanish 0310 GMT 30 Jan 88

[Text] Santiago, 29 Jan (EFE)—It was reported in Santiago today that the owner of the house where, on 26 January, the explosion of six bombs killed Police Major Julio Benimeli and injured several other people, is being held under arrest in an unknown location.

Ramon Escobar Mondaca, 35, was detained by civilians on 27 January.

Escobar Mondaca is the brother of Elizabeth Escobar, who was killed in alleged clashes with members of the National Intelligence Center (political police) during the so-called "Operation Albania", in June 1987. Eight other people were also killed during that operation.

According to reports, on 19 December 1987, Ramon Escobar rented the house to a young couple. The next time he heard from them was the 26 January, when his brother-in-law, Esteban Venegas, received an anonymous telephone call stating that the tenants had abandoned the house, and that there were explosives inside it. The same caller suggested that he contact the civil police and the Carabineros to report the explosives, which Venegas did.

Later, Venegas went to the house. He was accompanied by Escobar's wife, and by policemen, including Maj Benimeli, who was leading the operation.

Shortly after they arrived, the bombs exploded and killed Maj Benimeli.

3 'Terrorists' Killed While Mishandling Bomb

PY012320 Santiago Domestic Service in Spanish 1600 GMT 1 Feb 88

[Excerpts] Terrorists were planning to unleash a wave of attacks in Santiago on the night of Sunday, 31 January, in an operation they called Operation Shining [Resplendor]. However, the plan failed when the members of a Manuel Rodriguez Patriotic Front [FPMR] cell mishandled a bomb they were manufacturing with 15 kg of trotyl, and three extremists were blown up.

The operation was scheduled to start at 2330, and the cell to which the three extremists who were killed belonged was supposed to blow up an exchange house in eastern Santiago.

An hour before the time set by the FPMR leadership, the extremists had almost everything ready and were only putting some finishing touches on the explosive device. However, mishandling of the bomb disrupted the plan and caused the horrendous death of three extremists.

According to information obtained on the incident, which took place at 2230 in an apartment in Villa Portales, nobody could have escaped the explosion alive. Therefore, the possibility that a wounded terrorist may have fled has practically been dismissed.

In addition to the death of apartment owner Humberto Duran, Marcial Augusto Tapia, and Santiago University electrical engineering student Ubaldo Enrique Ramirez Benegas, a person was wounded as a consequence of the explosion on the fourth floor of apartment block No 10. The wounded person was identified as Maribel Fuentes Tapia, who lives in apartment 405 in the same block, and who sustained a wound on the left side of her head when hit by sharpnel that flew everywhere. [passage omitted]

Apparently, in addition to the three men who were killed, there was a young woman of medium build who was in the neighborhood at the time of the explosion, waiting in a vehicle that was supossed to take the terrorists to eastern Santiago. This information was found in a notebook that flew out of the apartment and landed in a neighboring garden, along with remains and masonry. It clearly reads: Operation: Shining; Date: 31 January; Sector: eastern Santiago, exchange house;

Time: 2330. This message clearly identifies a terrorist action that must have been part of a wave of attacks that was suspended due to the premature explosion of a bomb in Villa Portales.

Two submachineguns—one a British Sterling and the other manufactured in Czechoslovakia—and a sawed-off shotgun were found inside the apartment. These weapons were to be used by the terrorists of the cell, which included two other persons, one of them a woman who wears a size-36 shoe, according to the shoes and clothing found in the apartment.

Investigations are continuing.

FCN Claims Responsibility

PY020037 Santiago Radio Chilena Network in Spanish 2200 GMT 1 Feb 88

[Excerpts] One of the three alleged terorists killed by a bomb in an apartment in Villa Portales district was an engineering student and a member of the Communist Youth of the University of Santiago.

Gonzalo Ode, president of the Student Federation of the University of Santiago, said one of the people killed in the explosion was Ubaldo Enrique Ramirez Benegas, 26 years of age, who was an expert in drawing political posters. Ode said Ramirez was also a student leader. He added that there are many contradictions in the reports on the explosion, which completely destroyed apartment 409 of block 10 in the Villa Portales district.

Ode stated that the student federation will request the appointment of a judge to investigate and clarify the explosion, which also killed two other people. The other casualties are Humberto Duran, approximately 30 years of age, and another individual of about 18 years of age who has not yet been identified. [passage omitted]

This afternoon anonymous calls to the media said a so-called FCN [expansion unknown] organization has claimed responsibility for the bombing. The callers said the explosion was set off to punish three members of the FPMR.

3 Bombhandlers Identified

PY030237 Santiago Domestic Service in Spanish 2200 GMT 2 Feb 88

[Excerpts] The three individuals who were killed by a bomb they were making to plant in a downtown Santiago store were 18, 22, and 25 years old. [passage omitted]

The Investigative Police fingerprint department, after an exhaustive investigation, officially identified the three individuals who died when the explosive device they were handling detonated.

The following are the victims of their own terrorist action: Mario Andres Barriles Tapia, 18, who lived at 3657 South Avenue, block 19, apartment 317 in Villa Portales; Fernando Norberto Villalon Perez, 22, who lived at 1489 Araucania Street, Cerro Navia neighborhood; and Nelson Perez Garrido Cabrera, 25, who lived at 8423 General Bonega, block 67, apartment 30. [passage omitted]

'Ultrarightist' Claim Noted

PY031846 Santiago Radio Chilena Network in Spanish 1600 GMT 3 Feb 88

[Excerpt] [Passage omitted] In the last few hours, the so-called Nationalist Combat Front, which has ultrarightist leanings, telephoned Radio Chilena and other media and said they had placed the bomb in the apartment that was blown up a few days ago. An anonymous caller stated that the action was aimed at exacting revenge for the murder of Julio Benimeti, chief of the Carabineros special operations group, who died when six boobytraps went off in his house in La Cisterna some days ago.

Students Demonstrate 4 Hours

PY030030 Santiago Domestic Service in Spanish 2200 GMT 2 Feb 88

[Text] A total of 300 university students this afternoon caused incidents near the Physical Science and Mathematics School of the University of Chile on the corner of Blanco Encalada and (Botchef) Streets. The demonstrations began after 1330 when the students built barricades and hurled stones at a Carabineros water cannon and a jeep with a tear-gas launcher, also known as a skunk, that appeared at the scene of the riot.

According to a police report, the incidents lasted more than 4 hours, but no one was arrested or injured.

The demonstrators were detoured to roads adjacent to Blanco Encalada Street, where they gathered stones, earth, pieces of wood, and old tires to prevent vehicles from passing.

The demonstration ended at approximately 1800. According to student leaders who led the incidents, it was a spontaneous protest against the deaths of two individuals who died while manufacturing an explosive device on Sunday, 31 January, in an apartment in Villa Portales.

Carabineros Deactivate Bombs Near Concepcion

PY301741 Santiago Domestic Service in Spanish 1600 GMT 30 Jan 88

[Recorded relay from Concepcion]

[Text] A Carabineros bomb squad defused four bombs inside an old municipal slaughterhouse on the outskirts of the town of Coronel, by the road that leads to Lota.

The bombs were planted inside this building. It is not yet known why they failed to explode. The Carabineros prevented great damage since municipal vehicles are kept in this building.

The bombs were defused and sent to the Concepcion National Intelligence Center, which will carry out an investigation to try to find those responsible for this incident, which could have resulted in tragedy.

Ecuador

Borja, Bucaram To Seek Alliances for Runoff

PA021355 Quito Voz de los Andes in Spanish
1200 GMT 2 Feb 88

[Text] The immediate task of Rodrigo Borja and Abdala Bucaram, winners of the first round of elections, will be to seek the support of other parties for the runoff elections by forming political alliances.

Although the leaders of the Democratic Left and the PRE [Ecuadoran Roldosist Party] refused to comment when newsmen asked with which groups they would seek alliances, it was learned that Bucaram's PRE has already taken the initiative and made contact with retired General Frank Vargas. This, however, could not be confirmed by circles close to Vargas.

In a very brief statement, Andres Vallejo, executive director of the Borja campaign and winner of the elections for deputy from Pichincha Province, said it is still too early to talk about political strategy. We need to wait for the official figures, he said.

Only two parties, the CFP [Concentration of Popular Forces] and the FRA [Alfarist Radical Front], according to statements made by Angel Duarte and Cecilia Calderon, will leave their members free to vote for the candidate of their choice in the runoff elections.

The latest figures released by the National Public Information Secretariat listed the 10 presidential candidates in the same order as before. The official figures, however, show a smaller gap in votes between PRE candidate Abdala Bucaram and Social Christian Party candidate Sixto Duran.

Vessel Reportedly Detained by Colombian Navy

PA261811 Quito Voz de los Andes in Spanish
1230 GMT 24 Jan 88

[text] According to a local newspaper, the Ecuadoran Navy has asked the Colombian Navy to provide more information on the detention of an Ecuadoran ship that was carrying weapons reportedly destined for guerrilla groups. The newspaper LA PRENSA reported that investigations have been secretly conducted, but it was learned that the Navy had asked the Colombian Navy to provide more details about the weapons shipment. The newspaper adds: No official confirmation has been received, but the Ecuadoran vessel "Bellamar" was detained this week by Colombian authorities in the Pacific Ocean, close to the two nations' border. The ship's captain, Victor Sierra, and the owner, Alvaro Cuervo, were arrested at the Tumaco Naval Station, a southern Colombian port.

Colombian Guerrillas Ambush Army Patrol

PA302012 Quito Voz de los Andes in Spanish
1230 GMT 30 Jan 88

[Text] Colombian guerrillas staged another attack on members of the Ecuadoran Army on Thursday at 1100 in Las Juntas, Bermejo. Defense Minister Reserve General Medardo Salazar Navas reported that Sublieutenant Elvis Molina and four recruits were undertaking a routine patrol on the San Miguel River aboard a small vessel when a surprise attack was launched by a group composed of 12-15 individuals from the Colombian side of the river.

As a result, a sublieutenant and two recruits were wounded. The officer fell into the river; it is presumed that he was killed off in the water by the guerrillas, two of whom were wearing military uniforms.

[Begin recording] [Salazar] A patrol on rounds along the San Miguel River was attacked by surprise; it was ambushed by Colombian guerrillas. As a result, and according to preliminary reports I have received, [words indistinct] wounded that were evacuated yesterday. A sublieutenant was wounded and is presumed dead; his body disappeared in the river. The guerrillas took four rifles away with them.

[Reporter] [Words indistinct] talks with the Colombian Government?

[Salazar] We are taking all the necessary steps together with the Colombian Government.

[Reporter] [Question indistinct]

[Salazar] We do not yet know. I am only revealing preliminary reports available to me. I will give further details throughout the day as they become available to me. [end recording]

In the attack, four rifles belonging to the Ecuadoran soldiers disappeared. The two wounded recruits were brought to the capital city military hospital. The missing sublieutenant is being sought, Defense Minister Medardo Salazar added.

Briefs

Contract Signed With Colombia

Ecuadoran Mines and Energy Minister Fernando Santos has announced that Ecuador and Colombia have signed a contract whereby Ecuador will supply Colombia with

105,000 barrels of gasoline and 37,000 barrels of diesel fuel. Minister Santos said this sale will help Colombia meet its domestic supply problems. [Summary] *[Paris AFP in Spanish 1052 GMT 22 Jan 88 PA]*

Paraguay

Government Bans Rally for Free Elections

PY011424 Asuncion EL DIARIO in Spanish 31 Jan 88 p 11

[Excerpt] Caaguazu's local government office has forbidden the holding of a rally organized by the National Coordinating Committee for Free Elections scheduled for today in Coronel Oviedo. The local police department communicated the decision to Eugenio O'Connelly, Catholic priest of San Pedro church, where the rally was scheduled to be held beginning at 0900 this morning. [passage omitted]

The Free Elections Committee, after meetings at the Christian Democratic Party headquarters, decided to carry on with the rally despite the local government office ban and the massive arrest of the local PLRA [Authentic Radical Liberal Party] leaders who organized the event. [passage omitted] Spokesmen of the PLRA "Popular Mobilization for Change Movement" have confirmed that Miguel Saguier was arrested on his way to Coronel Oviedo. His arrest comes in addition to the arrests of other opposition leaders such as Gervasio Sanchez, Juana Nimia Benitez Barreto, Chiquita Barreto de Burgos, and Graciela Estigarribia. These people were all to have participated in today's rally.

200 Arrested in Coronel Oviedo

PY011619 Asuncion HOY in Spanish 1 Feb 88 p 56

[By special correspondents Augusto Barreto, Francisco Frutos, Rolando Chaparro, and Hugo Jara]

[Text] Coronel Oviedo—Nearly 200 people were arrested here yesterday during the aborted rally organized by the National Coordinating Committee for Free Elections at San Pedro church in Coronel Oviedo. Several political and labor leaders, simple parishoners, and journalists from various media sources, who came here to cover the event, were among those arrested by the police. Some of the journalists were beaten by policemen who cordoned off the area of the rally.

This was the case of AFP correspondents Hugo Ruiz Olazar, Horacio Haimovich, and Pedro Mendez, who were beaten by policemen inside the churchyard when they tried to attend the mass being offered by Father Eugenio O'Connelly. O'Connelly is linked to the Free Elections Comittee. The rally had been forbidden on 31 January by Rene Molas, government delegate in Coronel Oviedo.

A large number of civilians, presumably linked to the local Colorado Party precinct, participated side by side with the strong police forces in the operation to thwart the rally. These civilians received "instructions" from Modesto Acosta Perez at the local government branch office. Acosta gave instructions to his "subordinates" from the corridors of the police precinct. [Police departments and local governments operate from the same premises in many towns.]

The police operation took the form of actual raids, and people arriving for the rally were surrounded and herded into large cattle trucks parked near San Pedro Church as soon as they arrived. Besides the AFP journalists, members of the parish choir, other parishioners, and mere bystanders were herded together and taken to the local government branch office, where they were kept in the open during a persistent and cold light rain, under the close watch of the parapolice forces.

One of our correspondents, who was driving behind the column of cars carrying politicians from Asuncion, was arrested with the politicians at a police roadblock near km 131. All of them were taken to Police Precinct No 3 (at the international crossing). Here, the politicians were locked up. The journalist was taken to the local government branch office, where he was released along with other journalists after being "delayed" for a few hours, and after he received "apologies" from police authorities.

About 30 people were arrested at km 131. The list includes Christian Democratic Party leaders Alfonso Resck and Florencio Riveros; MDP [Democratic People's Movement] leaders Hugo Richer, Omar Sostoa, and Maria Ligia Centurion; PLRA leaders Domingo Laino and Rafaela de Laino, Franklin Boccia, Julio Cesar Franco, Carlos Caballero Roig, Augusto Brum, Luis Wagner, Miguel Angel Martinez Yaryes, and Luis Guanes; and Women for Democracy Leaders Ligia Prieto de Centurion, Susana Romero de Puentes, and Marta Romanach de Galli, among others.

Other people were arrested on 31 January. The list includes Hermes Chamorro, Alcides Frutos, Vidal Rotela, Juan Carlos Zaldivar, Miguel Abdon Saguier, Ines de Torres, Gervacio Sanchez, Wilma Cristaldo de Rotela, Waldino Montes de Oca, Eulalio Chamorro, and Eligio Gimenez. They all remain under arrest at press time.

Further on Opposition Arrests

PY020253 Asuncion ULTIMA HORA in Spanish 1 Feb 88 p 8

[Text] Miguel Abdon Saguier, one of the persons arrested in Coronel Oviedo, stated that "the most incredible thing is that they never explained that we were being arrested to prevent us from clashing with the National Republican Guard because it shows the police have no power over the armed civilians."

Saguier also said "it draws people's attention to the fact that all forms of repression are allowed during the period of elections. This reaction is prompted by the incapacity to engage in a dialogue. We regard this as an incredible victory for the democratic opposition. Great civic courage was shown during the singing of 'Dear Fatherland' inside the police station, but I believe the most important fact is that people are beginning to lose their fear, and the opposition is spreading throughout the fatherland."

Alcides Frutos, president of the Authentic Radical Party committee in Coronel Oviedo, said: "We received a serious warning that we were going to be attacked by the National Republican Guard, a strong-arm group headed by Colorado Party precinct president Modesto Acosta Perez and the notorious Ramirez Khon." "I was arrested together with Juan Carlos Zaldivar Chamorro and Felix Torres. On Saturday night we were put in a prison cell," he explained.

Priest Criticizes Rights Abuses

PY020246 Asuncion LA TARDE in Spanish 1 Feb 88 p 27

[Text] Asked to give his opinion on what happened in the city of Coronel Oviedo, Father Eugenio Connolly said: "This is a shame, and it only shows the cowardice of the authorities, who urinated on the Constitution and the laws." Father Connolly is the parish priest of the church where a large number of people were arrested after a panel that was to be held there was prevented. He is associated with the panel organizers.

Referring to the situation of newsmen who were arrested, Father Connolly said: "All freedoms were violated here, including the freedom of the press about which they boast so much." Alluding to the authorities, Father Connolly said that "these gorillas turned our peaceful city into barracks; they are the ones who committed disorder, and, worse yet, no explanations can be asked of them because it is like kicking a dead horse."

Father Connolly recalled that he had participated in the first demonstration promoted by Martin Luther King, and then he said: "It cannot be compared with this; the repression then was more civilized. What happened today shows that the authorities have no reason."

Ministry Releases Note

PY030152 Asuncion LA TARDE in Spanish 2 Feb 88 p 7

[Text] The Interior Ministry Press Secretariat has released a communique on the panel discussion that should have been held on 31 January at the San Pablo Parish in Coronel Oviedo.

The communique states:

"Regarding the events at the city of Coronel Oviedo, which are already known to the public, and in order to prevent distortions, the Interior Ministry Press Secretariat reports that groups that are not registered in accordance with the electoral law, and that intended to disturb public order, planned to hold a meeting at the Pa'i Celso Parish House, in San Pablo Parish, Coronel Oviedo. Ignoring all democratic principles, the meeting was aimed at urging the people to abstain from voting."

The official communique released by the Interior Ministry adds: "These illegal groups, which are subdivided into tiny factions as a result of their leaders' ambition, and which lack legal political representativeness, attempt to disrupt order to obtain importance and publicity, with a base attitude that goes against the most elementary principles of political ethics.

"Considering that the terms of the Constitution cannot be ignored, the government of the 5th Department of Caaguazu used its authority to ensure respect for the law and forbade the panel discussion, which had obvious subversive connotations and merely sought to stir up the people's feelings. Thus, thanks to police intervention, the subversives were prevented from achieving their goal."

The communique concludes by stating: "Under no circumstance will subversives be allowed to upset the Republic's peace and order, which have been won by this government that safeguards the happiness of our people."

Democratic People's Group Stages Demonstration

PY261545 Asuncion HOY in Spanish 26 Jan 88 p 8

[Text] Members of the Democratic People's Movement (MDP) yesterday morning staged a lightning demonstration calling for the release of MDP members Hector Lacognata and Ricardo Flecha, who have been detained and held incommunicado at the Security Guard barracks since 22 January.

At exactly 1130, a group of people carrying posters and shouting: "Freedom for Lacognata and Flecha" appeared suddenly near the Health Ministry and started to march along Luis Alberto Herrera Street between Estados Unidos and Brasil Streets.

The demonstrators also shouted slogans supporting "blank votes" in the 14 February general elections. They referred to these elections as "an electoral fraud." As the demonstrators marched along Herrera Street, the cars that were jamming the street at that hour blew their horns in time to MDP cheers.

The demonstrators frequently shouted the famous slogans: "It will end," and "The people united will never be defeated." The street demonstration lasted only 3 minutes. When the demonsrators reached the Health Ministry, they disbanded in various directions. Therefore, the police were not able to arrive in time to repress the demonstration.

MDP Members Released

PY272019 Asuncion ULTIMA HORA in Spanish 27 Jan 88 p 50

[Excerpt] Hospital de Clinicas Employee Association member Hector Lacognata and musician Ricardo Flecha, both of the MDP, were released today. The police have informed the courts that both are free. A writ of habeas corpus had been filed with the Supreme Court on behalf of the detainees. [passage omitted]

Traditionalist Faction Leader on Elections

PY301540 Asuncion HOY in Spanish 30 Jan 88 p 9

[Text] "We have not made any decision yet," Juan Ramon Chaves, former Colorado Party government junta president and current leader of the Colorado Party Traditionalist faction, replied when asked his opinion about a statement made by Traditionalist Senator Percio da Silva. The senator had said that "the only alternative left for the Traditionalist sector in the upcoming elections is to submit a blank ballot."

Chaves added that da Silva's statement "is a personal opinion." Chaves then excused himself by saying that he could not coment "any further at this time." A journalist asked him: "Why? Is this a personal decision?" Chaves replied: "I cannot make any statement," and concluded the interview.

Uruguay

Montevideo Establishes Diplomatic Ties With PRC

PY031811 Buenos Aires TELAM in Spanish 1734 GMT 3 Feb 88

[Text] Montevideo, 3 Feb (TELAM-DPA)—Uruguayan Foreign Minister Enrique Iglesias today officially announced the establishment of diplomatic and trade relations between his country and the PRC. He also announced that Uruguay had broken relations with the Republic of China (Taiwan).

The Uruguayan foreign minister also stated that at 1130 New York time the Uruguayan and PRC ambassadors to the United Nations will sign 5 agreements linked to the following sectors: trade, cooperation, economy, culture, and relations regarding exchanges between both countries.

Commenting on his government's decision, Iglesias stressed that "it is not an ideological decision, but one that reflects the political reality."

According to the foreign minister, the PRC has already purchased products amounting to $60 million from Uruguay, and now it will make yearly purchases amounting to $80 million.

Government Decree Regulates Debt Conversion

PY261043 Montevideo LA HORA in Spanish 16 Jan 88 p E3

[Text] Viewing the refinancing agreement signed on 10 July 1986 between the Central Bank of Uruguay and the Republic of Uruguay on one side and various institutions of the international financial community on the other side;

Since under this agreement it is up to the Central Bank to propose the conversion of obligations into investment capital in organizations or enterprises operating in the national territory:

Considering it to be opportune to take initiatives so as to encourage investment projects in the country; and

Acting on what has been stated above,

The president of the Republic decrees:

Article 1. The cancellation of obligations covered by the refinancing agreement of 10 July 1986, through operations resulting in their conversion into capital shares or capital investments in organizations or enterprises established, or to be established, in the national territory, will be made on the basis of projects approved in accordance with the provisions of this decree.

Article 2. The proposals will be submitted to the Central Bank of Uruguay through creditor financial institutions, together with the investment project and all other information and documents deemed to be appropriate or necessary for their consideration. The presentation of proposals does not give rise to obligations by the proposer or by the state.

The Central Bank will send the investment project to the Budget and Planning Office for its evaluation as per Article 6.

Article 3. The greatest amount that may be financed in each project with funds resulting from the conversion will be 80 percent of the project's total cost, and the remaining 20 percent may not be covered by credits or guarantees provided by institutions within the national banking system.

Article 4. The capital shares or investment capital instruments referred to in Article 1 will not be redeemable or payable in terms or conditions more favorable than the principal payment obligations that can be refinanced under the refinancing agreement of 10 July 1986.

Article 5. Capital shares or investment capital will have to be related to projects for the acquisition of new equipment, construction of industrial plants or other buildings, or the purchase of other assets necessary to increase or improve production of goods and services.

Article 6. The Budget and Planning Office will classify projects as elegible or inelegible according to sectors considered to be priority, and to new investments required in those sectors. Priority will be given to projects directed mainly to exports and to infrastructure to attract international tourism.

The classification of a project as either elegible or inelegible will not give rise to any right whatsoever for the proposer. Once it is classified, a project will be returned to the Central Bank, which will only consider projects classified as elegible for debt conversion. Before or after its classification, any project can be rejected by the Central Bank of Uruguay without explanation.

Article 7. The Central Bank is authorized to exchange Treasury bonds for the capital shares and/or investment of capital referred to in Article 1.

Article 8. For each given, preestablished period, the Central Bank will set the maximum value of Treasury Bonds to be exchanged in accordance with the financial program and the possibilities of the securities market.

However, the Central Bank will be allowed to increase by a reasonable amount the value of bonds previously fixed whenever it should be necessary to complete funding for a project.

Before exchanging public securities, the Central Bank will ask the Budget and Planning Office, whenever appropriate, for an affidavit of compliance with the stages of advancement of the investment project previously submitted.

Article 9. The Central Bank will periodically establish the minimum discount acceptable on the nominal value of the external obligations so that the operation may be to the advantage of the Uruguayan state.

Whenever the investment projects classified as elegible under the provisions of Article 7 surpasses the value established by the Central Bank, that value will be distributed among those offering the greatest discounts on the external obligations to be canceled.

Article 10. The Central Bank is authorized to regulate the provisions of this decree, determining the occasion and time period for receiving proposals and establishing the control and guarantee systems.

Article 11. Pro forma.

Suriname

Brazil To Supply $6 Million in Food, Medicine

FL031906 Paramaribo International Service in English 1730 GMT 3 Feb 88

[Text] Brazil will supply Suriname with $6 million worth of foodstuffs and medicines. The first shipment of the supplies is expected in the country shortly.

The assistance is part of a loan agreement signed earlier this year by president of the Suriname Central Bank, Mr Henk Goedschalk.

This credit line from Brazil resulted from discussions Commander Bouterse, then head of government, had with the Brazilian authorities during his visit to that country last October. Besides the credit line for foodstuffs and medicines, Brazil has two other loan agreements with Suriname which run into millions of dollars. These are to be used for industrial purposes and telecommunications.

The Brazilian Government will shortly begin talks on the repayment of the loan.

Van Amson Named Defense General Director

FL030409 Paramaribo International Service in English 1730 GMT 2 Feb 88

[Text] As of yesterday, Orlando Van Amson has become the general director of the Ministry of Defense. In the previous government, Van Amson was the Minister of Sports and Youth Affairs which has now been disbanded. As director, Van Amson will be the right hand man of Defense Minister (Shai Karim) who was installed a week ago. The filling of vacancies in other state organs will also be formally completed. The three vacant seats in the National Assembly will be taken up tomorrow by the three members who will be sworn in. They are (Klayfair), (Citromiyoyo), and perhaps (Paton), respectively, from the National Democratic Party, and the Front for Democracy and Development.

Arron Warns Followers Against Abuse of Power

FL031919 Paramaribo International Service in English 1730 GMT 3 Feb 88

[Text] Chairman of the National Party of Suriname [NPS] Henck Arron was on Sunday honored by his party on his election as vice president of the Republic.

During the festivities, Mr Arron showed a certain degree of realism and in an address warned his supporters not to abuse their powers. He further said that after the victory of the Front [Front for Development and Democracy] in which the NPS is a partner, the people are in a state of political transition.

Through the great trust voters have in the front, we are in a position of power which must not be abused, said Arron.

He further told his supporters it is their duty to see to it that the people live in accordance with the Constitution. He added they must also help to preserve the unity among the three-party coalition of the Front.

Dutch Labor Party Member on Cooperation

FL030420 Paramaribo International Service in English 1730 GMT 2 Feb 88

[Text] The points of view people in Holland entertain should be based on the development of Suriname whereby the country should be assisted in its integration in the Caribbean region. This was stated by Mr (Owen Fenlow), board member of the Dutch Labor Party, who held a lecture here last night on the development cooperation between Holland and Suriname. According to (Fenlow), Holland's attitude in its development policy should be one of caution in respect to the choices the Surinamese make in Suriname. This attitude has been insufficiently respected by the Dutch political circles, including the Labor Party, said (Fenlow). He accepts the more positive behavior from the Dutch Foreign Minister Hans van den Broek toward Suriname in the near future. He said he is in support of Van den Broek's statement that Holland is no shadow government of Suriname and that Suriname is no longer a Dutch colony.

Unemployment in Netherlands

FL030430 Paramaribo International Service in English 1730 GMT 2 Feb 88

[Text] The future position of Surinamese living in Holland is all but reassuring. This was stated by Mr (Owen Fenlow), board member of the Dutch Labor Party, during a lecture here yesterday. The lecture was organized by the (Johan Adalopengo) Foundation which is linked to the National Party of Suriname, the NPS. (Fenlow) spoke about Surinamese living in Holland and the development cooperation between Holland and Suriname.

The unemployment percentage among Surinamese living in Holland amounts to 35 to 40 percent, according to Mr (Fenlow). He also said that the average level of education predicts an unavoidable disaster adding that the participation in politics is a condition for Surinamese in Holland to escape the scourge of unemployment and the low standards of education. He said this (?trend) has already been put into gear in the four major cities in Holland whether or not Surinamese living in Holland will return home. (Fenlow), who was born in Suriname, is a strong advocate of companies being obliged to hire colored folk.